

PROGRAM IV: GENERAL GOVERNMENT SERVICES

SUMMARY OF APPROPRIATIONS AND REVENUES

Agency	Agency Name	FY 2004 - 2005 Appropriations	FY 2004 - 2005 Revenue	FY 2004 - 2005 Net County Cost
002	Assessor	30,484,060	5,452,975	25,031,085
003	Auditor-Controller	14,995,579	6,544,218	8,451,361
006	Board of Supervisors - 1st District	760,709	0	760,709
007	Board of Supervisors - 2nd District	752,738	0	752,738
008	Board of Supervisors - 3rd District	727,789	0	727,789
009	Board of Supervisors - 4th District	734,787	0	734,787
010	Board of Supervisors - 5th District	764,920	0	764,920
011	Clerk of the Board	2,516,209	99,300	2,416,909
017	County Executive Office	17,735,089	2,184,309	15,550,780
025	County Counsel	8,265,053	2,004,500	6,260,553
031	Registrar of Voters	13,254,244	4,655,998	8,598,246
054	Human Resources Department	2,224,495	4,000	2,220,495
059	Clerk-Recorder	10,058,614	16,302,530	-6,243,916
074	Treasurer-Tax Collector	13,565,056	9,868,159	3,696,897
079	Internal Audit	2,301,713	88,800	2,212,913
	GENERAL FUND TOTAL	119,141,055	47,204,789	71,936,266
107	Remittance Processing Equipment Replacement	349,959	349,959	0
127	Property Tax Administration State Grant	6,559,475	6,559,475	0
135	Real Estate Development Program	2,526,591	2,526,591	0
	NON-GENERAL FUND TOTAL	9,436,025	9,436,025	0
	TOTAL FOR GENERAL GOVERNMENT SERVICES	128,577,080	56,640,814	71,936,266

002 - ASSESSOR

Operational Summary

Mission:

To serve the citizens of Orange County by valuing all legally assessable property with uniformity and impartiality, producing property tax assessment rolls in accordance with the laws of the State of California, and helping property owners to understand their property valuations.

At a Glance:

Total FY 2003-2004 Projected Expend + Encumb:	29,569,090
Total Recommended FY 2004-2005 Budget:	30,484,060
Percent of County General Fund:	1.23%
Total Employees:	337.00

Strategic Goals:

- Identify and properly value all taxable property in Orange County.
- Make property valuation information more accessible and easier to understand.
- Enhance operational efficiency and productivity through the implementation of new technology, policies and procedures.
- Encourage employee development by providing access to relevant training opportunities.

Key Outcome Indicators:

Performance Measure	2003 Business Plan Results	2004 Business Plan Target	How are we doing?
VALUE ALL TAXABLE PROPERTY IN ORANGE COUNTY. What: Fulfills the Assessor's Constitutional mandates. Why: Implements the provisions of Proposition 13 and other property tax laws.	Valued 835,091 real property parcels and 165,783 business/personal property accounts.	Continue to value all taxable property in the County.	We continue to respond to market dynamics and real estate transactions that have increased significantly from year to year, as well as changes in property tax laws and a workload that is increasing and shifting continually.
PUBLISH THE SECURED AND UNSECURED ASSESSMENT ROLLS OF VALUE EVERY JULY. What: Fulfills the Assessor's Constitutional mandates. Why: Establishes the basis for property tax assessments that fund schools and local government services.	Published the secured and unsecured assessment rolls in July 2003.	Publish the secured and unsecured assessment rolls in July 2004.	We are in the process of valuing all taxable property in the County for the FY 2004-05 assessment rolls of value.
IMPLEMENT HOMEOWNER, VETERAN & INSTITUTIONAL EXEMPTIONS FOR ELIGIBLE INDIVIDUALS AND ORGANIZATIONS. What: Limits or reduces taxable value, as mandated by the State Constitution. Why: Qualifying individuals and organizations receive the tax-saving benefits of these exemptions.	More than 501,500 Homeowner, Veteran and Institutional exemptions were enrolled.	Implement exemptions in accordance with property tax laws.	We process claims and application forms on a continuous basis.

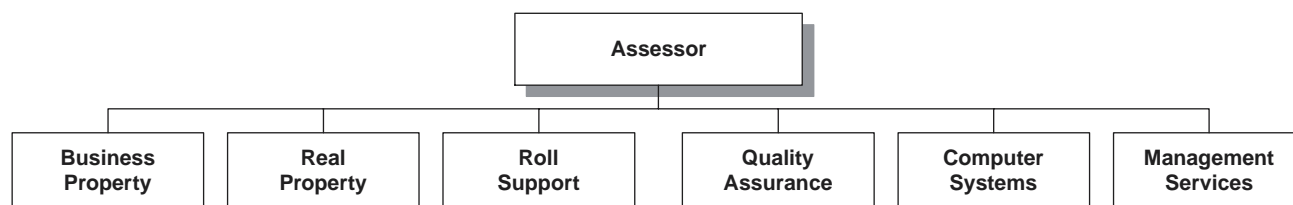
Key Outcome Indicators: (Continued)

Performance Measure	2003 Business Plan Results	2004 Business Plan Target	How are we doing?
APPLY TAXABLE VALUE RESTRICTIONS ADOPTED BY CALIFORNIA VOTERS. What: Restricts taxable value based on qualifying events. Why: Implements Prop. 13 and other constitutional limitations on the taxable value of property.	Approximately 44,500 parcels benefited from taxable value restrictions mandated by property tax laws. Value may be restricted if property declines in value, is transferred between parent and child, or is purchased as a replacement residence by a senior citizen or disabled property owner.	Apply taxable value restrictions to eligible properties in accordance with property tax laws.	We process claims and application forms on a continuous basis, and evaluate Prop. 8 parcels annually.
CONTINUE TO PRODUCE LOCAL ASSESSMENT ROLLS THAT MEET LEGAL QUALITY STANDARDS. What: The SBE conducts periodic surveys to determine if assessment rolls meet legal quality standards. Why: Reduces appeals and related costs, provides uniformity statewide, builds confidence in the system.	In the most recent survey conducted by the State Board of Equalization (SBE), Orange County's local assessment rolls meet legal quality standards established by Government Code Sections 15640 and 15642. The minimum legal quality rating is 95.0%, and Orange County's rating is 98.6%.	Continue to produce assessment rolls in accordance with property tax laws.	The Orange County Assessor and staff continually monitor the status of property tax laws and state rules. Property assessment practice is modified to implement changes in the law.

FY 2003-2004 Key Project Accomplishments:

- The decision on the two percent assessment appeals court case was published by the California Court of Appeal, Fourth District, Division Three on March 26, 2004. The Court's decision reversed the ruling of the Orange County Superior Court, and ordered the Superior Court to enter a judgment in favor of the County. The Court of Appeal ruled that a temporary reduction of property assessment under Proposition 8 does not establish a new lower base value. The Court noted that such a change in base value would be inconsistent with Proposition 13. This decision is still subject to further petition for rehearing at the Court of Appeal and review by the California Supreme Court.

Organizational Summary



BUSINESS PROPERTY - Audits and appraises business personal property and assesses all trade fixtures, leased equipment, boats and aircraft with taxable situs in Orange County.

REAL PROPERTY - Appraises real property, new construction and reassessable changes in ownership, and maintains records on all real property parcels including residential, commercial, rural, industrial and special use properties.

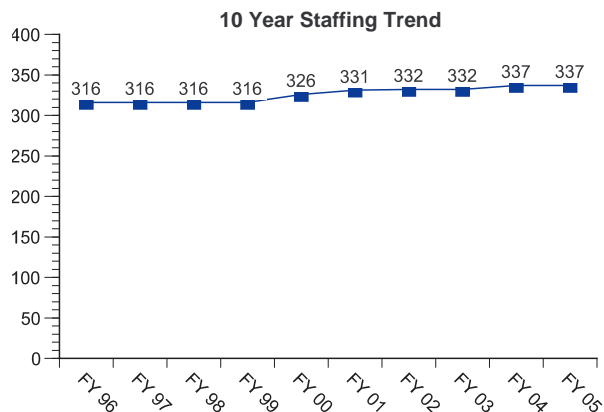
ROLL SUPPORT - Reviews and maintains recorded documents evidencing a change in ownership of real property, prepares Assessor parcel maps and processes Homeowner, Veteran and Institutional exemptions.

QUALITY ASSURANCE - Provides appraisal methodologies, procedures, training and quality control for roll production, audit and appraisal staff.

COMPUTER SYSTEMS - Provides programming and data processing services, system security and technical services to support the development of the assessment rolls of value.

MANAGEMENT SERVICES - Provides fiscal management, process integration, contract administration, procurement and personnel services, general department administration and public service support to the public and other government agencies.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- Twenty-one (21) positions were deleted in FY 1995-96 due to the County bankruptcy. Extra help and overtime labor has been used as appropriate to complete the work.
- Ten (10) positions were added back in January 1999 to accommodate the increased workload base, and to help with the annual workload increases. The department still had a significant shortage in permanent labor hours.

- Five (5) unfunded limited-term positions were added in FY 2000-01 to manage vacancies and better accommodate recruitment timeframes and to meet a larger workload. One (1) full-time regular position was added mid-year FY 2000-01.

- Five (5) extra-help positions were converted to regular in FY 2002-03 to meet a growing workload and to get the department back to the 1994 staffing level. The department continues to use extra-help and overtime labor to manage and complete the significant workload increase that has occurred since 1994. The staffing level also allowed the department to apply for the State-County Property Tax Administration Grant Program (AB-589).

- In March 2004, the Assessor Department received a grant from the State of California, under the AB-589 program. Positions funded by the grant are budgeted in Agency 127.

Budget Summary

Plan for Support of the County's Strategic Priorities:

The Assessor Department recognizes the County's Strategic Priorities, and will continue to operate in concert with those priorities to the extent that they do not interfere with the Department's Constitutional mandate to produce valuation rolls and provide valuation services to Orange County's property owners and businesses.

Requested Budget Augmentations and Related Performance Results:

Unit/Amount	Description	Performance Plan	Ref. Num.
Two Percent Assessment Appeals Case On Secured Assessment Roll (FY 04-05) Amount:\$ 200,000	Funding for legal representation related to the 2% Assessment Appeals case - Secured Property Taxes.	Provide Department with adequate legal support.	002-488

Proposed Budget and History:

Sources and Uses	FY 2002-2003 Actual	FY 2003-2004 Budget As of 3/31/04	FY 2003-2004 Projected ⁽¹⁾ At 6/30/04	FY 2004-2005 Recommended	Change from FY 2003-2004 Projected	
					Amount	Percent
Total Positions	-	337	337	337	0	0.00
Total Revenues	5,790,359	4,420,000	5,400,000	5,452,975	52,975	0.98
Total Requirements	27,873,707	29,651,085	29,979,065	30,484,060	504,995	1.68
Net County Cost	22,083,348	25,231,085	24,579,065	25,031,085	452,020	1.84

(1) Requirements include prior year encumbrances and expenditures. Therefore, the above totals may not match FY 2003-2004 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: Assessor in the Appendix on page 430.

Highlights of Key Trends:

- Orange County's real estate market continues to be dynamic. The trend of values in some market segments may adjust up and down in the next year.

Budget Units Under Agency Control

No.	Agency Name	Business Property	Real Property	Roll Support	Quality Assurance	Computer Systems	Management Services	Total
002	Assessor	4,460,120	8,435,522	7,401,469	803,770	1,953,364	7,429,815	30,484,060
127	Property Tax Admin State Grant	0	0	0	0	0	6,559,475	6,559,475
	Total	4,460,120	8,435,522	7,401,469	803,770	1,953,364	13,989,290	37,043,535

127 - PROPERTY TAX ADMINISTRATION STATE GRANT

Operational Summary

Description:

The State-County Property Tax Administration State Grant Program (AB-589) was implemented by the legislature on January 1, 2002. The grant is used to maintain efficient property tax administration, in accordance with legislated guidelines and restrictions.

The grant is administered by the State on a contract year basis. Orange County received approximately \$6.8 million in grants funds for the contract year beginning March 2004. Due to start-up lead time, most of the funds will be carried over to fiscal year 2004-05.

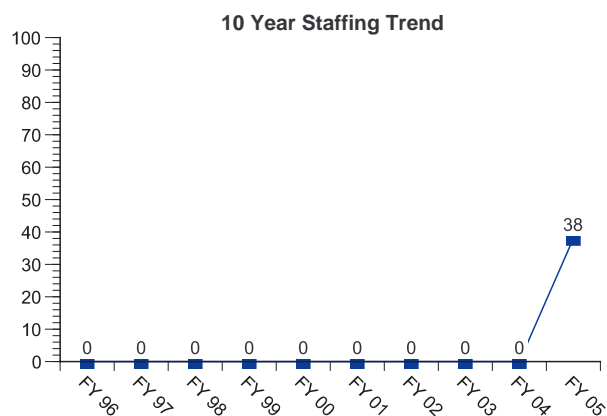
This grant program has been authorized by the State through fiscal year 2006-07. County Assessors may apply for funding annually.

At a Glance:

Total FY 2003-2004 Projected Expend + Encumb:	331,850
Total Recommended FY 2004-2005 Budget:	6,559,475
Percent of County General Fund:	N/A
Total Employees:	38.00

Organizational Summary

Ten Year Staffing Trend:



Budget Summary

Proposed Budget and History:

Sources and Uses	FY 2002-2003 Actual	FY 2003-2004 Budget As of 3/31/04	FY 2003-2004 Projected ⁽¹⁾ At 6/30/04	FY 2004-2005 Recommended	Change from FY 2003-2004 Projected	
					Amount	Percent
Total Positions	-	38	38	38	0	0.00
Total Revenues	0	6,826,325	6,826,325	6,559,475	(266,850)	-3.91
Total Requirements	0	6,826,325	331,850	6,559,475	6,227,625	1,876.64
Balance	0	0	6,494,475	0	(6,494,475)	-100.00

(1) Requirements include prior year encumbrances and expenditures. Therefore, the above totals may not match FY 2003-2004 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: Property Tax Administration State Grant in the Appendix on page 529.

003 - AUDITOR-CONTROLLER

Operational Summary

Mission:

To promote public oversight, provide accountability, and support financial decision-making for the County.

Strategic Goals:

- To assist in controlling the financial risk faced by the County.
- To promote accountability by developing and enforcing systems of accounting controls.
- To anticipate and satisfy our stakeholders' and clients' needs for financial services and reliable information.
- To increase Countywide organizational effectiveness by making the appropriate investments in our staff and technology.

Key Outcome Indicators:

At a Glance:

Total FY 2003-2004 Projected Expend + Encumb:	14,137,444
Total Recommended FY 2004-2005 Budget:	14,995,579
Percent of County General Fund:	0.61%
Total Employees:	404.00

Performance Measure	2003 Business Plan Results	2004 Business Plan Target	How are we doing?
RECEIVE UNQUALIFIED OPINION AND GFOA CERTIFICATE FOR EXCELLENCE IN FINANCIAL REPORTING FOR THE CAFR. What: Measures the integrity and accuracy of the County's annual financial statements. Why: Provides assurance that the CAFR fairly presents the financial position of the County.	The County received an unqualified opinion for fiscal year 2002-2003. The County anticipates the results of its' application to receive the Certificate for fiscal year 2002-2003 will be successful, as was fiscal year 2001-2002.	The department expects to achieve the same high level of success for fiscal year 2002-2003, by implementing recent post-GASB 34 pronouncements of the Governmental Accounting Standards Board.	The department lead a countywide team in a successful implementation of significant new pronouncements from GASB in order to stay in compliance with financial reporting requirements and with generally accepted accounting principles.
99% OF ALL PROPERTY TAXES WILL BE ALLOCATED TO TAXING AGENCIES ON TIME. What: Measures ability to meet deadlines for computing property tax bills and allocating tax revenues. Why: Provides timely revenue to County taxing agencies that receive funding from tax revenues.	The department met all property tax deadlines, apportioning over \$3.7 billion in property taxes, penalties, special taxes/assessments, and interest to over 170 local government funds in 64 separate apportionments.	The department fully expects to meet all property tax deadlines.	Property tax apportionment deadlines continue to be met in spite of frequent tax statute changes and the complexity of the tax allocation process.

Key Outcome Indicators: (Continued)

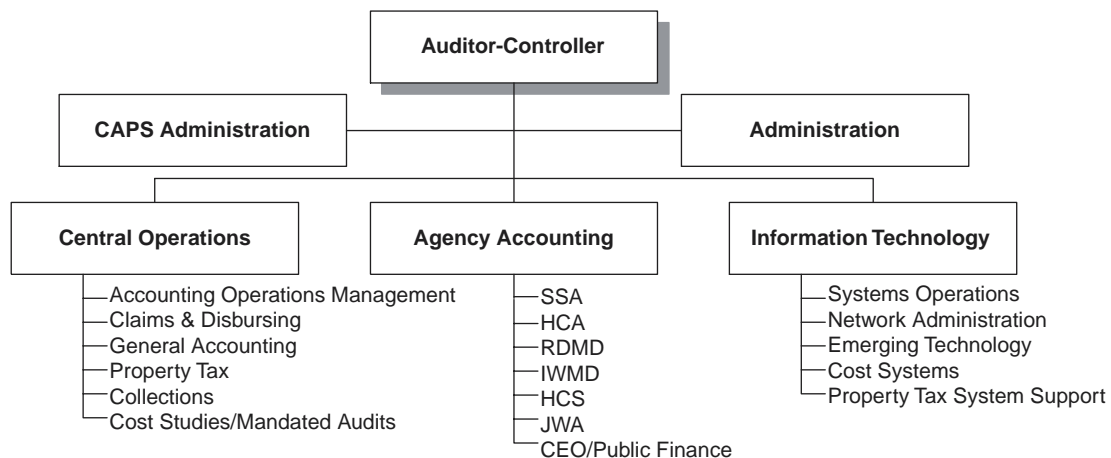
Performance Measure	2003 Business Plan Results	2004 Business Plan Target	How are we doing?
99% OF STATE AND FEDERAL FUNDS WILL BE CLAIMED IN TIME TO SATISFY CASH FLOW REQUIREMENTS. What: Measures compliance with deadlines that assure timely receipt of funds and avoidance of penalties. Why: The amount of revenue associated with these claims is over \$1 billion.	The department achieved over 99% compliance for fiscal year 2002-2003. The department expects to have 99% compliance for fiscal 2003-2004.	The department will remain committed to timely submission of the over 1,350 required claims and reports, in order to maximize revenue, avoid penalties, and maintain funding for the many County programs which rely on State and Federal participation.	State and Federal funds continue to be claimed in a timely manner.
ACHIEVE CAPS USER SATISFACTION WITH FINANCIAL AND PAYROLL SYSTEMS TO 90% OR HIGHER. What: Measure client satisfaction with support provided by AC Information Technology Staff. Why: Ensure AC IT provides appropriate level of support for financial and payroll applications.	Survey was distributed to CAPS users throughout the County, measuring satisfaction in key functional areas (Payroll, Job Cost, Claims Processing, etc.). Satisfaction was at 99% for staff support and 96% for Quality of Information Provided.	Continue conducting an annual survey to stay on track and address clients' needs.	This was the first time that a detailed survey of Auditor-Controller Information Technology support was conducted. The results were outstanding. The feedback provided through comments will allow us to focus on areas requiring further improvement.
REDUCE HARD COPY/FICHE PRINTING/DISTRIBUTION COST BY 20%. What: Measures reduction of report preparation and access costs due to new imaging technology. Why: Ready access to report information coupled with ability to extract report information for other uses	Countywide rollout of WebERMI has been completed. User training substantially completed. Expand usage of data mining.	Continue to eliminate hardcopy print and distribution. Add other documents to imaging as necessary.	We are working with individual agencies to get their concurrence and provide assistance in turning off their hardcopy reports. We are scheduled to turn off all hardcopy reports by September 2004.

FY 2003-2004 Key Project Accomplishments:

- Worked with AMS in conducting a "Fit Analysis" to determine scope of effort required to implement the next major upgrade of CAPS to the AMS ADVANTAGE 3.0 Products. As a result of the analysis, the County can better evaluate options to meet it's accounting needs.
- Assessed the risk and the adequacy of controls of the County's major transaction processing systems maintained by the Auditor-Controller including, completion of Information Technology Audit of Laser Check Print application, completion of risk assessment of payroll system, and completion of Readiness Assessment for CAPS upgrade/replacement.
- Implemented the latest sub-releases of AMS Financial and Human resources software product.
- Completed the County's CAFR and component unit financial statements by scheduled deadlines with unqualified audit opinions for all statements for fiscal year 2002-2003. Received the GFOA Certificate of Achievement for excellence in Financial reporting for the CAFR for fiscal year 2001-2002 and are anticipating receiving the award for fiscal year 2002-2003 as well.
- Met daily, weekly, monthly or other deadlines for basic services such as payroll, property tax distributions, vendor payments, revenue collection and reporting, appropriation/budget control, reports to the Board, and submission of State and Federal Reports.
- Improved property tax information posted on Auditor-Controller department web site by adding ERAF contributions by taxing agency. Implement web page that incorporates tax information and links for all property tax departments.
- Determined that all Auditor-Controller mandates were met.

- Continued development of employee recognition program that allows managers, supervisors and employees to acknowledge outstanding achievement. Continued publication of quarterly newsletter to increase communication throughout the office.
- Completed biennial client surveys of services performed by the Auditor-Controller central operations accounting teams and a client satisfaction survey of vendors which received high satisfaction ratings. Continue to implement appropriate changes requested as a result of prior client surveys.
- Worked with SSA to implement Electronic Benefit Transfer (EBT) to process most welfare cash payments and all food stamp program benefits.
- Worked with HCA on implementation of Health Insurance Portability and Accountability Act (HIPAA) requirements, including the Notification of Privacy Practices and the Transaction Code Set phases.
- Assisted in the development and implementation of RDMD Transportation Fleet Management System.
- Established implementation of accounting module for RDMD's new automated planning and permitting system.

Organizational Summary



CENTRAL OPERATIONS - This division provides the core accounting activities required of the Auditor-Controller which benefit the County as a whole, including: apportionment of property taxes for all County tax-receiving agencies; providing payroll and claims processing for the benefit of all County departments; accounts receivable and collections functions for many County departments; Cost Studies and Mandated Audits Section, which prepares the County's annual Countywide Cost Allocation Plan (CWCAP) that is utilized for cost reimbursement claiming purposes by most County departments; and preparation of the County's annual financial statements. With the exception of Collections/Accounts Receivable, which is cost-applied to client departments, the core services provided by the Accounting Operations and Reporting division are financed by general-purpose revenues of the General Fund.

AGENCY ACCOUNTING - This division supports seven other agencies/departments by providing outstationed specialized accounting/financial services. The outstationed agency/department accounting support sections are entirely funded by host agencies that have outside revenue sources.

CAPS ADMINISTRATION - CAPS Administration provides administrative support for the County Accounting and Personnel System (CAPS). This function is assigned to the Auditor-Controller but represents the interests of all owner organizations: CEO/CF0, CEO/Human Resources, and the Auditor-Controller.

EXECUTIVE MANAGEMENT - This section includes the executive management team that provides leadership and direction for the department. It consists of the Auditor-Controller, Chief Assistant Auditor-Controller, their secretaries, and the Communications/Staff Development Coordinator.

INFORMATION TECHNOLOGY - The Information Technology division is responsible for the implementation, maintenance and upgrade of the County's central accounting and financial systems, as well as the development of other accounting-related systems.

ADMINISTRATION - This division includes human resources, purchasing, budget management, and administrative support and staff services. This division provides central administrative and staff support to the rest of the department.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- FY 94/95 - Added 4 systems positions to work on CAPS. Added 14 positions in outstationed agency units, most in SSA Accounting with no Net County Cost (NCC) effect.
- FY 95/96 - Eliminated 15 positions due to transfer of internal audit responsibilities to a new County agency. Eliminated 31 other County General funded positions from Central Operations and 49 positions from outstationed Agency units.
- FY 96/97 - Added 4 positions to work on CAPS upgrade (partial restoration of 9 positions eliminated from Systems in 95/96). Added 5 positions to outstationed Agency Accounting with no NCC effect.
- FY 97/98 - Restructure resulted in a net decrease of 10 positions.
- FY 98/99 - Added 6 positions to Agency Accounting with no NCC effect.
- FY 99/00 - Added 1 position in the central office as additional clerical support for purchasing and HR function.
- FY 00/01 - Added 26 positions that were transferred in as part of HCA restructuring with no NCC effect. Added 1 Limited Term position for GASB 34 implementation. Eliminated 10 positions that were transferred to CEO/HR with no NCC effect. Eliminated 1 position from central office.
- Mid year adjustments - In November 2000, added 2 Limited Term positions for GASB 34 implementation, 1 HR manager, 1 Systems Analyst for ATS, 1 limited term for DA/Family Support study, deleted 2 positions in SSA Accounting Services. In February 2001, added 3 positions due to Systems reorganization. In May 2001, deleted the limited term DA/FS position, added 1 position in PF&RD Accounting for Dana Point leases.
- FY 01/02 - Added 1 position in General Ledger, 1 limited term position in Systems for the CAPS upgrade.
- FY 01/02 Mid year adjustments - 1 position in CSA Accounting for the Area Agency on Aging, 2 positions in PF&RD Accounting for Dana Point leases, 1 position to HCA Accounting for Medi-Cal Administrative Activity/Targeted Case Management, and 1 position to SSA Accounting for a collection officer. Base budget of 403 positions.
- FY 02/03 - Added 1 Sr. Systems Programmer/Analyst to a three year limited term in the Information Technology division.
- FY 02/03 Mid Year Adjustment - 1 limited term Sr. Accountant/Auditor II added to Information Technology to support CAPS fit analysis and CAPS Upgrade. Base budget of 405 positions.
- FY 03/04 - Added 1 Sr. Accountant/Auditor I and 1 Accounting Assistant II to Planning and Development Services Department Accounting and added 2 Accounting Assistant II positions to HCA Accounting (converting 2 extra help positions to regular status). Base budget of 409 positions.
- FY 03/04 Mid Year Adjustment - Added 3 Senior Accounting Assistants, transferred from RDMD to RDMD Accounting, delete 6 vacant Accounting Assis-

tant II positions from SSA Accounting, delete 3 vacant Accounting Assistant II, 2 vacant Office Assistants and 1 vacant Office Technician from HCA Accounting/CCS. Authorized budgeted positions are 400.

- FY 04/05 - Add 3 Accounting Assistant II positions and 1 Accounting Office Supervisor, transferred from SSA to SSA Accounting. Base budget is 404 positions.

Budget Summary

Plan for Support of the County's Strategic Priorities:

Although the Auditor-Controller does not have responsibility for a specific priority item, the department budget request reflects support of the overall priorities including initiation, implementation and continued support of several technology projects designed to enhance overall efficiency and enable data gathering and processing to be more efficient throughout the County.

Changes Included in the Recommended Base Budget:

The budget request reflects the Auditor-Controller's continued desire to increase the usefulness and accessibility of financial systems. As County departments change and re-engineer their business processes to increase efficiencies and implement new technologies, the Auditor-Controller is consistently working to control risk at the appropriate level. As County departments are now struggling to reduce their budgets and streamline operations, the Auditor-Controller will work to ensure that all risk controlled measures are comprehensively enforced, and that the gate-keeping function of the office remains secure.

Although the Auditor-Controller department is limited to a zero growth budget, the base budget request includes significant increases in retirement and insurance cost. Employer retirement contributions are expected to increase 32% from fiscal year 2003-2004. Health insurance is anticipated to increase 14%, while Workers' Compensation insurance will increase 18%. The increased costs are offset by a 45% decrease in extra help employee costs, 15% decrease in overtime and the elimination of PIP in the FY 2004-2005 budget.

Four new positions are included in the Auditor-Controller base budget request, transferring from SSA to the SSA Accounting unit. The transfer will better align job duties and supervisorial reporting relationships. The additional positions do not result in increased net county cost for the Auditor-Controller department.

Requested Budget Augmentations and Related Performance Results:

Unit/Amount	Description	Performance Plan	Ref. Num.
Add 1 Sr. Accountant/Auditor II for CAPS Upgrade (FY 04-05) Amount:\$ 0	1 Sr. Acct/Auditor II pos. (limited-term for 4 yrs) to help support the CAPS replacement project.	Complete major project milestones on time & participate in Business Processing Re-engineering tasks.	003-393
Add 1 Accountant/Auditor II for RDMD - GASB 34 (FY 04-05) Amount:\$ 27,220	1 Acct/Auditor II for RDMD for GASB 34 related requirements.	Complete cost summaries & Notice of Project Completion upon completion of an infrastructure asset.	003-398
Add 1 Accountant/Auditor II for RDMD - Watershed Program Support (FY 04-05) Amount:\$ 27,220	1 Acct/Auditor II for RDMD to address increased workload for Watershed Program.	Provide monthly reports, final year-end accounting, and annual invoices to all entities.	003-395
Add 1 Accountant/Auditor II for RDMD - Santa Ana River Support (FY 04-05) Amount:\$ 27,220	1 Acct/Auditor II for RDMD for Santa River Program support.	Prepare claims, provide accounting & cost share agreement between OC Flood Control & OC Water Dist.	003-397

Requested Budget Augmentations and Related Performance Results: (Continued)

Unit/Amount	Description	Performance Plan	Ref. Num.
Add 1 Accountant/Auditor II for RDMD - Dana Point Harbor Support (FY 04-05) Amount:\$ 27,220	1 Acct/Auditor II for RDMD for Dana Point Harbor Support.	Complete milestones i.e., recognition of revenue, payment of fees & reimb. of expenses on time	003-394

Proposed Budget and History:

Sources and Uses	FY 2002-2003 Actual	FY 2003-2004 Budget As of 3/31/04	FY 2003-2004 Projected ⁽¹⁾ At 6/30/04	FY 2004-2005 Recommended	Change from FY 2003-2004 Projected	
					Amount	Percent
Total Positions	-	400	400	404	4	1.00
Total Revenues	5,597,228	5,958,535	6,230,635	6,544,218	313,583	5.03
Total Requirements	13,033,524	14,462,396	14,849,654	14,995,579	145,925	0.98
Net County Cost	7,436,296	8,503,861	8,619,019	8,451,361	(167,658)	-1.95

(1) Requirements include prior year encumbrances and expenditures. Therefore, the above totals may not match FY 2003-2004 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: Auditor-Controller in the Appendix on page 432.

Highlights of Key Trends:

- The Auditor-Controller workload increases proportionately with the addition and expansion of County programs and with the general growth in the County budget and number of positions. Workload also increases as a result of requests from client departments for new and enhanced services and for interfaces with our automated systems.
- Implementation of the new financial reporting model (GASB 34) has placed pressure on resources. Although some of the additional workload is a result of transition issues, a sustained increase in workload has resulted from additional reporting model requirements.
- Significant information technology development work will continue for the basic financial systems that manage the County. The Assessment Tax System is in the process of being totally rewritten. The County Accounting and Personnel Systems are also being redeveloped. Additional resources to support these projects will be required.

Budget Units Under Agency Control

No.	Agency Name	Central Operations	Agency Accounting	Caps Administration	Executive Management	Information Technology	Administration	Total
003	Auditor-Controller	6,366,946	3,569,045	0	690,044	3,285,811	1,083,733	14,995,579
14A	Option B Pool Participants Registered Warrants	917,513	0	0	0	0	0	917,513
14C	Class B-27 Registered Warrants	102,175	0	0	0	0	0	102,175
15Q	Pension Obligation Bond Amortization	11,185,057	0	0	0	0	0	11,185,057
15W	1996 Recovery Certificates Of Participation (A)	3,148,596	0	0	0	0	0	3,148,596
15Z	Plan Of Adjustment Available Cash	6,361,020	0	0	0	0	0	6,361,020
	Total	28,081,307	3,569,045	0	690,044	3,285,811	1,083,733	36,709,940

006 - BOARD OF SUPERVISORS - 1ST DISTRICT

Operational Summary

Mission:

The County of Orange is a regional service provider and planning agency representing all residents of Orange County. The core businesses of the County are public safety, public health, environmental protection, regional planning, public assistance social services, and aviation. The Board of Supervisors, as authorized under California law, functions as both a legislative and executive body. In its legislative duties, the Board adopts ordinances, resolutions, and rules within the limits prescribed by State law. As an executive body, the Board oversees the activities of County agencies and depart-

ments, establishes policy, determines annual budget allocations, approves contracts for public improvement projects and other specialized services, conducts public hearings on matters such as zoning appeals and planning, and makes appointments to various boards and commissions. The First Supervisorial District represents the citizens of Santa Ana, Westminster, a large portion of Garden Grove, and the unincorporated area of Midway City.

At a Glance:

Total FY 2003-2004 Projected Expend + Encumb:	723,874
Total Recommended FY 2004-2005 Budget:	760,709
Percent of County General Fund:	0.03%
Total Employees:	7.00

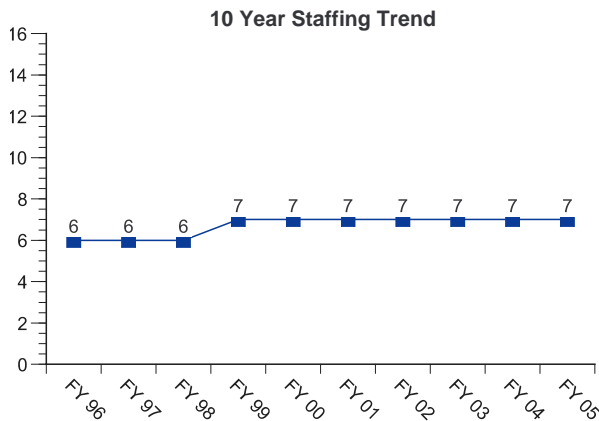
Strategic Goals:

- Provide an accessible, responsive and timely avenue to government for the 600,000 First District residents and business persons, in order to insure that they have the means to effect an efficient and economic quality of life and to pursue their individual goals.

FY 2003-2004 Key Project Accomplishments:

- Initiated joint action with the County of Los Angeles seeking legislative relief for healthcare providers.
- Supported the creation of 262 affordable housing units in the First District.
- Focused on providing recreational/open space needs of the inner cities.
- Partnered with the O.C. American Heart Association to make Automated External Defibrillators (AED) available in public buildings.
- Continued advocacy for regional transportation improvements.
- As a member of the Children and Families Commission, allocated more than \$30 million a year to programs targeting children up to the age of 5 and their families.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- Of the seven positions budgeted for First District, one is occupied by the Supervisor and one is a part-time position.

Budget Summary

Changes Included in the Recommended Base Budget:

The budget includes \$38,903 for anticipated annual leave payoffs due to the vacating of office by the Supervisor and staff in January 2005. This amount will be removed from the budget in FY 05-06.

Proposed Budget and History:

Sources and Uses	FY 2002-2003 Actual	FY 2003-2004 Budget As of 3/31/04	FY 2003-2004 Projected ⁽¹⁾ At 6/30/04	FY 2004-2005 Recommended	Change from FY 2003-2004 Projected	
					Amount	Percent
Total Positions	-	7	7	7	0	0.00
Total Requirements	618,912	744,899	725,921	760,709	34,788	4.79
Net County Cost	618,912	744,899	725,921	760,709	34,788	4.79

(1) Requirements include prior year encumbrances and expenditures. Therefore, the above totals may not match FY 2003-2004 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: Board of Supervisors - 1st District in the Appendix on page 436.

Budget Units Under Agency Control

No.	Agency Name	Board Of Supervisors 1st Dist	Total
006	Board Of Supervisors - 1st District	760,709	760,709
	Total	760,709	760,709

007 - BOARD OF SUPERVISORS - 2ND DISTRICT

Operational Summary

Mission:

The County of Orange is a regional service provider and planning agency representing all residents of Orange County. The core businesses of the County are public safety, public health, environmental protection, regional planning, public assistance social services, and aviation. The Board of Supervisors, as authorized under California law, functions as both a legislative and executive body. In its legislative duties, the Board adopts ordinances, resolutions and rules within the limits prescribed by State law. As an executive body, the Board oversees the activities of County agencies and departments, establishes policy, determines annual budget alloca-

tions, approves contracts for public improvement projects and other specialized services, conducts public hearings on matters such as zoning appeals and planning, and makes appointments to various boards and commissions. The Second Supervisorial District represents the citizens of Costa Mesa, Cypress, Huntington Beach, La Palma, Los Alamitos, Newport Beach, Seal Beach, Stanton, a portion of Garden Grove, and the unincorporated areas of Rossmoor, Santa Ana Heights, and Sunset Beach.

At a Glance:

Total FY 2003-2004 Projected Expend + Encumb:	717,107
Total Recommended FY 2004-2005 Budget:	752,738
Percent of County General Fund:	0.03%
Total Employees:	7.00

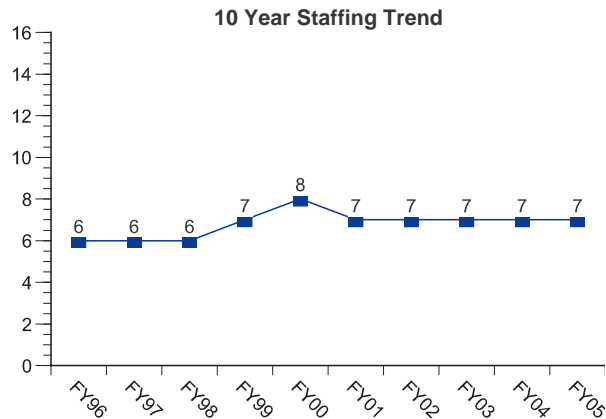
Strategic Goals:

- To effectively and efficiently represent the people of the Second District in promoting economic prosperity, preserving public safety, and maintaining the quality of life.

FY 2003-2004 Key Project Accomplishments:

- Urban Runoff Master-Plan
- Non-Emergency Medical Transportation for Seniors
- Bankruptcy Debt Defeasance Reserve Funding
- JWA Access Plan Amendment
- JWA Passenger Screening Improvements
- Construction/Opening of Wieder Park in Huntington Beach
- Public Works Improvements in Santa Ana Heights
- Annexation of Part of Santa Ana Heights
- SR-22 HOV Project
- I-405 Major Investment Study
- Analysis of Rossmoor Future Governance Issues
- Funding of Office of Protocol

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- Of the seven positions budgeted, one is occupied by the Supervisor.

Budget Summary

Proposed Budget and History:

Sources and Uses	FY 2002-2003 Actual	FY 2003-2004 Budget As of 3/31/04	FY 2003-2004 Projected ⁽¹⁾ At 6/30/04	FY 2004-2005 Recommended	Change from FY 2003-2004 Projected	
					Amount	Percent
Total Positions	-	7	7	7	0	0.00
Total Requirements	650,884	737,698	717,288	752,738	35,450	4.94
Net County Cost	650,884	737,698	717,288	752,738	35,450	4.94

(1) Requirements include prior year encumbrances and expenditures. Therefore, the above totals may not match FY 2003-2004 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: Board of Supervisors - 2nd District in the Appendix on page 437.

Budget Units Under Agency Control

No.	Agency Name	Board Of Supervisors 2nd Dist	Total
007	Board Of Supervisors - 2nd District	752,738	752,738
	Total	752,738	752,738

008 - BOARD OF SUPERVISORS - 3RD DISTRICT

Operational Summary

Mission:

The County of Orange is a regional service provider and planning agency representing all residents of Orange County. The core businesses of the County are public safety, public health, environmental protection, regional planning, public assistance social services, and aviation. The Board of Supervisors, as authorized under California law, functions as both a legislative and executive body. In its legislative duties, the Board adopts ordinances, resolutions and rules within the limits prescribed by State law. As an executive body, the Board oversees the activities of County agencies and departments, establishes policy, determines annual budget allocations, approves contracts for public improvement projects

and other specialized services, conducts public hearings on matters such as zoning appeals and planning, and makes appointments to various boards and commissions. The Third Supervisorial District represents the citizens of Brea, Irvine, Orange, Tustin, Villa Park, Yorba Linda, a portion of Anaheim, and the unincorporated areas of Cowan Heights, El Modena, Lemon Heights, MCAS El Toro, Olinda, Olive, Orange Hills, Orange Park Acres, Tustin Foothills, Modjeska Canyon, Santiago Canyon, Silverado Canyon and Trabuco Canyon.

At a Glance:

Total FY 2003-2004 Projected Expend + Encumb:	714,129
Total Recommended FY 2004-2005 Budget:	727,789
Percent of County General Fund:	0.03%
Total Employees:	7.00

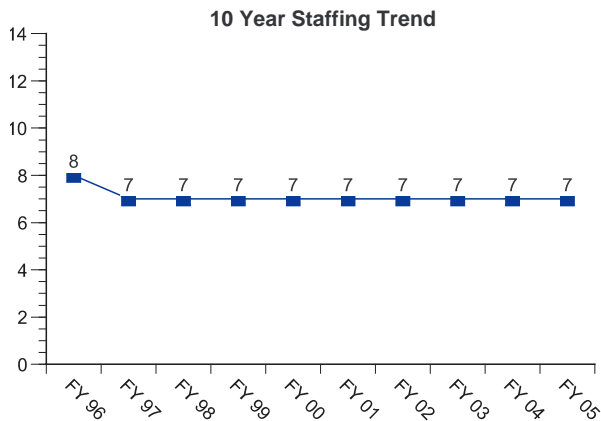
Strategic Goals:

- Strive daily to represent the interests of the men, women and children of Orange County.
- Continue to make Orange County the best place to live, work and play.

FY 2003-2004 Key Project Accomplishments:

- Successfully completed transfer and annexation of the former MCAS, El Toro to the City of Irvine for development of the Orange County Great Park.
- Released all aviation easements held by the County of Orange relating to the proposed airport at the former MCAS, El Toro.
- Eased congestion on State Route 91 through the addition of auxiliary lanes in each direction.
- Implemented a debt capacity study, reserve policy, paid leave reports and quarterly financial reports to strengthen the County's budget process.
- Created the County Employee Health Benefits Taskforce to investigate ways to better manage increasing health care costs.
- Directed the Registrar of Voters to post all County of Orange campaign finance reports on its Internet Website so that the public can view them more easily.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- Of the seven positions budgeted for Third District, one is occupied by the Supervisor.

Budget Summary

Proposed Budget and History:

Sources and Uses	FY 2002-2003 Actual	FY 2003-2004 Budget As of 3/31/04	FY 2003-2004 Projected ⁽¹⁾ At 6/30/04	FY 2004-2005 Recommended	Change from FY 2003-2004 Projected	
					Amount	Percent
Total Positions	-	7	7	7	0	0.00
Total Revenues	0	0	400	0	(400)	-100.00
Total Requirements	625,914	727,789	715,153	727,789	12,636	1.77
Net County Cost	625,914	727,789	714,753	727,789	13,036	1.82

(1) Requirements include prior year encumbrances and expenditures. Therefore, the above totals may not match FY 2003-2004 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: Board of Supervisors - 3rd District in the Appendix on page 438.

Budget Units Under Agency Control

No.	Agency Name	Board Of Supervisors 3rd Dist	Total
008	Board Of Supervisors - 3rd District	727,789	727,789
	Total	727,789	727,789

009 - BOARD OF SUPERVISORS - 4TH DISTRICT

Operational Summary

Mission:

The County of Orange is a regional service provider and planning agency representing all residents of Orange County. The core businesses of the County are public safety, public health, environmental protection, regional planning, public assistance social services, and aviation. The Board of Supervisors, as authorized under California law, functions as both a legislative and executive body. In its legislative duties, the Board adopts ordinances, resolutions and rules within the limits prescribed by State law. As an executive body, the Board oversees the activities of County agencies and depart-

ments, establishes policy, determines annual budget allocations, approves contracts for public improvement projects and other specialized services, conducts public hearings on matters such as zoning appeals and planning, and makes appointments to various boards and commissions. The Fourth Supervisorial District represents the citizens of Anaheim, Buena Park, Fullerton, La Habra, Placentia, and the unincorporated area of West Anaheim.

At a Glance:

Total FY 2003-2004 Projected Expend + Encumb:	620,474
Total Recommended FY 2004-2005 Budget:	734,787
Percent of County General Fund:	0.03%
Total Employees:	7.00

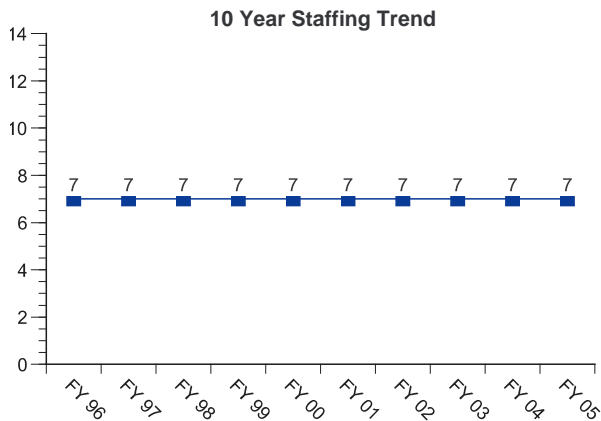
Strategic Goals:

- Provide leadership, formulate new ideas and build consensus on programs and projects benefiting the Fourth District and all of Orange County. Be the personal conduit between Anaheim, Fullerton, Buena Park, Placentia and La Habra constituents with Orange County government.

FY 2003-2004 Key Project Accomplishments:

- Provided alternatives to the Governor's proposed \$900 million ERAF shift from county budgets, focusing on greater availability of redevelopment agency and special district funds. That proposed diversion is now down to \$350 million.
- Conducted first electronic ballot elections, and held hearings to provide recommendations on how the process can be improved.
- Brought forth an alternative bond-free plan to help San Joaquin Hills Toll Road avoid default, saving ratepayers up to \$250 million in fees.
- Raised awareness of contractual requirements to properly audit public employee medical trust funds.
- Restored the local ownership to the Buena Park Veterans Club.
- Continued to move forward the completion of the Orange (57) Freeway segment, along the Santa Ana River easement.
- Provided strong leadership on California State Association of Counties (CSAC) for comprehensive local government fiscal reform.
- Elect President of Urban County Caucus.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- Of the seven positions budgeted for Fourth District, one is occupied by the Supervisor.

Budget Summary

Proposed Budget and History:

Sources and Uses	FY 2002-2003 Actual	FY 2003-2004 Budget As of 3/31/04	FY 2003-2004 Projected ⁽¹⁾ At 6/30/04	FY 2004-2005 Recommended	Change from FY 2003-2004 Projected	
					Amount	Percent
Total Positions	-	7	7	7	0	0.00
Total Revenues	120	0	0	0	0	0.00
Total Requirements	630,091	734,787	625,403	734,787	109,384	17.49
Net County Cost	629,971	734,787	625,403	734,787	109,384	17.49

(1) Requirements include prior year encumbrances and expenditures. Therefore, the above totals may not match FY 2003-2004 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: Board of Supervisors - 4th District in the Appendix on page 439.

Budget Units Under Agency Control

No.	Agency Name	Board Of Supervisors 4th Dist	Total
009	Board Of Supervisors - 4th District	734,787	734,787
	Total	734,787	734,787

010 - BOARD OF SUPERVISORS - 5TH DISTRICT

Operational Summary

Mission:

The County of Orange is a regional service provider and planning agency representing all residents of Orange County. The core businesses of the County are public safety, public health, environmental protection, regional planning, public assistance social services, and aviation. The Board of Supervisors, as authorized under California law, functions as both a legislative and executive body. In its legislative duties, the Board adopts ordinances, resolutions and rules within the limits prescribed by State law. As an executive body, the Board oversees the activities of County agencies and departments, establishes policy, determines annual budget alloca-

tions, approves contracts for public improvement projects and other specialized services, conducts public hearings on matters such as zoning appeals and planning, and makes appointments to various boards and commissions. The Fifth Supervisorial District represents the citizens of Aliso Viejo, Dana Point, Laguna Beach, Laguna Hills, Laguna Niguel, Laguna Woods, Lake Forest, Mission Viejo, Rancho Santa Margarita, San Clemente, San Juan Capistrano, and the unincorporated areas of Coto de Caza, Las Flores, Newport Coast and Ladera.

At a Glance:

Total FY 2003-2004 Projected Expend + Encumb:	723,887
Total Recommended FY 2004-2005 Budget:	764,920
Percent of County General Fund:	0.03%
Total Employees:	8.00

Strategic Goals:

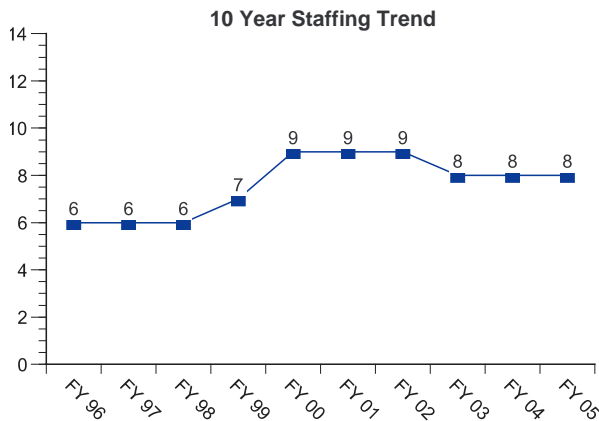
- To represent the people of the Fifth District by enhancing and protecting the quality of life, promoting economic prosperity and being an effective advocate for Fifth District issues.

FY 2003-2004 Key Project Accomplishments:

- Led the changes within the County structure to create a more effective and accountable government to serve our residents and advocated for more responsive management to benefit all of the County's employees.
- Led effort to achieve County target goals to facilitate the annexation of MCAS El Toro to the City of Irvine to allow the Great Park Plan to proceed.
- As Chairman, led County efforts to create statewide coalition of counties whose realignment funds were under-funded. This coalition is seeking ways to modify the current, unjust formulas defining realignment funds for mental health and healthcare. Orange County is leading many counties towards equitable solutions.
- Continued to spearhead the implementation of Dana Point Harbor Concept Plan, launching the permitting and final design activities in conjunction with the city and the community.
- Personally resolved outstanding issues relating to South Court to allow design to proceed.
- Oversaw initiation of construction of Laguna Canyon Road and the pre-construction phase of the Laguna Coast Wilderness Park Interpretive Center.
- Shaped the South County Outreach and Review Efforts (SCORE) review process with the Planning and Development Services Department to provide early community input into Rancho Mission Viejo (RMV) land use planning, including a Phase 1 and 2 report to the Orange County Planning Commission.

- Chaired biweekly conference calls between federal, state and local agencies and consultants intended to coordinate Nature Reserve design activities with RMV land use planning activities to ensure timeliness, accountability and good science.
- Chaired monthly meetings of the OCCJCC to improve coordination and effectiveness of the County's public safety entities.
- Advocated for aggressive implementation of the County's NPDES permits; pressed for the completion of short-term projects to improve beach water quality in conjunction with the Governor's Clean Beaches Initiative; and championed continued emphasis on watershed level planning.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- Of the eight positions budgeted for Fifth District, one is occupied by the Supervisor and two are part-time positions.

Budget Summary

Proposed Budget and History:

Sources and Uses	FY 2002-2003 Actual	FY 2003-2004 Budget As of 3/31/04	FY 2003-2004 Projected ⁽¹⁾ At 6/30/04	FY 2004-2005 Recommended	Change from FY 2003-2004 Projected	
					Amount	Percent
Total Positions	-	8	8	8	0	0.00
Total Requirements	662,118	744,668	724,029	764,920	40,891	5.65
Net County Cost	662,118	744,668	724,029	764,920	40,891	5.65

(1) Requirements include prior year encumbrances and expenditures. Therefore, the above totals may not match FY 2003-2004 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: Board of Supervisors - 5th District in the Appendix on page 440.

Budget Units Under Agency Control

No.	Agency Name	Board Of Supervisors 5th Dist	Total
010	Board Of Supervisors - 5th District	764,920	764,920
	Total	764,920	764,920

011 - CLERK OF THE BOARD

Operational Summary

Mission:

The Mission of the Clerk of the Board of Supervisors is to provide the County and its citizens easy access to information and guidance to facilitate fair, equitable and open participation in the decision and policy making of Orange County government.

Strategic Goals:

- Facilitate the decision and policy making of Orange County government.
- Ensure the assessment appeals process is fair, timely and equitable; and promote public understanding of the process.
- Ensure records are maintained, legislative history of the County is preserved and documents are readily available to our clients.

Key Outcome Indicators:

Performance Measure	2003 Business Plan Results	2004 Business Plan Target	How are we doing?
PERCENT OF ACCURATE BOARD OF SUPERVISORS AGENDA TITLES. What: Measurement of COB's accuracy and training. Why: Indicator of COB's compliance with Brown Act and identifies areas requiring training.	98.5% of published agenda titles were accurate with no errors.	99.25% of agenda titles are published with no errors.	COB has consistently maintained a high level of accuracy.
PERCENT OF ACCURATELY COMPLETED AND TIMELY FILED ASSESSMENT APPEALS APPLICATIONS. What: Indicator of taxpayers' and agents' understanding of applications and process. Why: Measures success of the COB's training and outreach efforts to the public and tax agents.	88.6% of applications were completed accurately and timely filed.	85% of applications accurately completed and timely filed.	Litigation regarding 2% cap on annual property tax value increase has created public confusion, resulting in more inaccurate applications during the last two filing periods.
PERCENT OF ASSESSMENT APPEAL CLAIMS DECIDED OR WAIVED WITHIN 2 YEAR DEADLINE. What: Indicator of success managing caseload to ensure required actions are taken before legal deadline. Why: Assesses whether policies and procedures result in processing appeals within the statutory deadline.	98.2% of 2002 appeals have been resolved or waivers received. Cases in litigation included in unresolved. COB anticipates similar results for appeals filed in 2003.	100% of appeals resolved or waivers filed, excluding cases in litigation.	COB meeting goal due to manageable number of filings and quality tracking of database information and appeals.

At a Glance:

Total FY 2003-2004 Projected Expend + Encumb:	2,304,148
Total Recommended FY 2004-2005 Budget:	2,516,209
Percent of County General Fund:	0.10%
Total Employees:	33.00

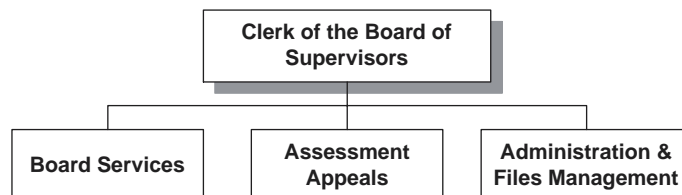
Key Outcome Indicators: (Continued)

Performance Measure	2003 Business Plan Results	2004 Business Plan Target	How are we doing?
PERCENT OF ASSESSMENT APPEALS HEARINGS HELD OR SCHEDULED WITHIN ONE YEAR OF FILING. What: Indicator of efficiency in processing and scheduling appeals. Why: Measures COB's success in timely resolution of appeals & reduces filings in following filing period.	100% of 2003 filings held initial hearings within one year, excluding those with applicant waivers filed.	95% of hearings scheduled within one year, excluding filings with applicant waivers.	With filings remaining at a manageable level for several years and usage of automation, COB has been successful in providing this level of client service. However, with increased filings, ability to provide this level of service may decline.
RESULTS OF CUSTOMER SATISFACTION SURVEYS. What: Measurement of success in meeting clients' needs. Why: Assesses COB's success in meeting the needs of its customers in a professional and courteous manner.	COB has received favorable ratings from 95%-100% of respondents.	97% rating of services as good or outstanding.	COB has received favorable ratings from 95%-100% of its clients.

FY 2003-2004 Key Project Accomplishments:

- Completed implementation of E-Agenda enterprise automation
- Expanded use of E-File Assessment Appeals online application.
- Completed assessment appeals database conversion to new operating system
- Continued community outreach workshops and expanded training program for County agencies/departments

Organizational Summary



COB - EXECUTIVE - Provides leadership and vision, management oversight and direction to all COB functions; performs administrative functions including budget preparation and monitoring, strategic financial projections, human resources, legislative analysis, prepares business plan and monitors progress in meeting goals and performance indicators.

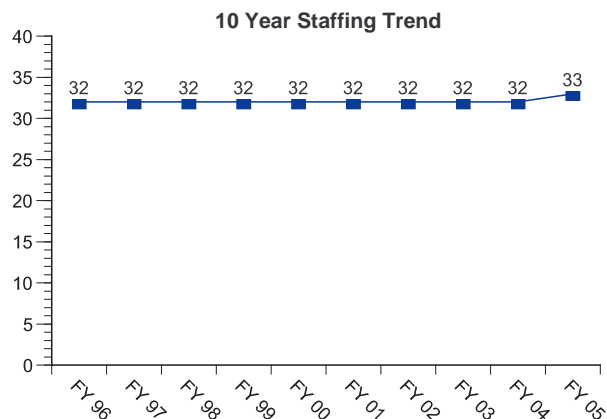
BOARD SERVICES - Prepares and publishes agendas for Board of Supervisors and other authorities in accordance with legal requirements for public meetings; records and publishes actions taken by the Board; maintains official rosters of Boards, Commissions and Committees; processes legal publications, postings and notices; receives and admin-

isters bid openings for County projects; administers oaths of office for various elected and appointed officials and employees; serves as filing officer for Statement of Economic Interest forms; receives and processes claims, summons and complaints against the County.

ASSESSMENT APPEALS - Receives and processes assessment appeal applications; schedules hearings in accordance with legal requirements; prepares minutes and processes actions of the Appeals Boards and Hearing Officers; provides assistance and education on the assessment appeals process to the general public and professional groups through workshops, brochures and the Internet.

ADMINISTRATION/FILES MGT - Provides files management for all records that the Clerk of the Board is required to maintain; assists County staff and the public with research and retrieval of information; provides technical knowledge and coordination in development and implementation of automation projects; provides end-user system support services; performs purchasing, petty cash and payroll functions for COB and the Board of Supervisors Offices.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- Increase to staffing in FY 95-96 due to transfer of assessment appeals intake function from the Assessor. COB has been able to maintain level staffing since that time, largely due to automation of previously labor-intensive activities. Increase of 1 position in 04-05 due to transfer from CEO of rotating position to support Board Chairman.

Proposed Budget and History:

Sources and Uses	FY 2002-2003 Actual	FY 2003-2004 Budget As of 3/31/04	FY 2003-2004 Projected ⁽¹⁾ At 6/30/04	FY 2004-2005 Recommended	Change from FY 2003-2004 Projected	
					Amount	Percent
Total Positions	-	32	32	33	1	3.13
Total Revenues	7,635	8,800	7,083	99,300	92,217	1,301.95
Total Requirements	2,282,643	2,321,697	2,316,943	2,516,209	199,266	8.60
Net County Cost	2,275,008	2,312,897	2,309,860	2,416,909	107,049	4.63

(1) Requirements include prior year encumbrances and expenditures. Therefore, the above totals may not match FY 2003-2004 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: Clerk of the Board in the Appendix on page 441.

Highlights of Key Trends:

- COB will continue to pursue new automation and enhancements to existing systems when it is cost effective and provides greater access to information and ser-

Budget Summary

Plan for Support of the County's Strategic Priorities:

Through use of automation developed and implemented over the past few years, COB has been able to reduce ongoing operational costs and maintain level staffing. COB will continue to pursue cost savings and revenue enhancements where efficient and cost-effective. Ideas implemented include reducing printing costs by distributing materials electronically, sale of County-developed software and scheduling changes to reduce the number of assessment appeal board hearings required.

Changes Included in the Recommended Base Budget:

Transfer of position from CEO budget that supports Board Chairman's office

Funding added from AB589 - State Property Tax Administration Grant, to fill 2 existing Assessment Appeal positions to handle increased filings and to support the additional workload expected as a result of new/enhanced activities by the Assessor in the AB589 contract.

vices.

- COB will continue to review its workflow to increase efficiencies and eliminate any duplicative or unnecessary work products. Assessment Appeal filings have remained at a manageable level for several years, but in 03-04 there was a 38% increase over the prior year's

annual filing period. With continued automation efforts and AB 589 funding of two positions, we are positioned to handle this increase in workload. However, workload could be further impacted by economic, legislative and legal factors.

Budget Units Under Agency Control

No.	Agency Name	Cob - Executive	Board Services	Assessment Appeals	Administration/Files Mgt	Total
011	Clerk Of The Board	357,748	544,593	931,813	682,055	2,516,209
	Total	357,748	544,593	931,813	682,055	2,516,209

017 - COUNTY EXECUTIVE OFFICE

Operational Summary

Mission:

The mission of the County Executive Office is to support and implement Board policy and direction through corporate direction and leadership, communication and coordination of strategic and regional planning, and to ensure effective service delivery through efficient management of the County's workforce and resources.

At a Glance:

Total FY 2003-2004 Projected Expend + Encumb:	19,536,786
Total Recommended FY 2004-2005 Budget:	17,735,089
Percent of County General Fund:	0.72%
Total Employees:	106.00

Strategic Goals:

- Goal 1: Facilitate, support and ensure the implementation of decisions by the Board of Supervisors.
- Goal 2: Improve County government's effectiveness in addressing community issues and needs.
- Goal 3: Ensure the financial strength and integrity of the County of Orange.
- Goal 4: Preserve and advance the regional services and infrastructure that the Orange County community relies upon by working collaboratively with other levels of government and community based organizations to ensure that regional issues and needs are addressed.

Key Outcome Indicators:

Performance Measure	2003 Business Plan Results	2004 Business Plan Target	How are we doing?
BOARD RATING OF CEO SUPPORT What: Board Members rate quality of support provided by CEO Why: To provide CEO with feedback on quality of support provided to the Board	As a cost-saving measure, the CEO delayed utilizing a consultant to conduct the survey	CEO will examine feasibility of conducting survey in-house	Not applicable
AGENCY/DEPARTMENT RATING VALUE OF CEO'S STRATEGIC, FINANCIAL, TECHNOLOGY AND HUMAN RESOURCES SUPPORT What: Feedback on agency/department assessment of CEO's strategic, financial, technology and HR support Why: To measure the effectiveness of leadership and services provided by the CEO to agencies/ departments	As a cost-saving measure, the CEO delayed utilizing a consultant to conduct the survey	CEO will examine feasibility of conducting survey in-house	Not applicable
COUNTY OF ORANGE CREDIT RATINGS What: Ratings by major bond rating companies (Moody's, S&P, Fitch) Why: Credit ratings are indicative of financial credit worthiness and factor into borrowing costs	Maintain County's rating	Maintain / Improve rating	The County has managed to maintain its credit rating at the same time California's rating slides

Key Outcome Indicators: (Continued)

Performance Measure	2003 Business Plan Results	2004 Business Plan Target	How are we doing?
COUNTY PROPOSED BUDGET CONSISTENCY, MEASURED IN DOLLARS AND PROJECTS, TO STRATEGIC FINANCIAL PLAN What: Indicates extent to which departments consider SFP in developing programs/budget Why: The annual budget implements the first year of the SFP requiring the two to be consistent	The budget for 03-04 is \$558 million and includes \$37 million in cost reductions/one-time revenue measures. One additional strategic priority, Preventative Maintenance was added to the budget in addition to the seven included in the approved 2003 SFP	The Plan for 04-05 is \$546 million. This Plan uses the basic concept of "limits" and limited use of reserves to bring projected costs into line with projected revenues	Including the 2004 Plan, the last three SFPs have focused on reduced resources. The 03-04 proposed budget and the 04-05 preliminary budget were/are consistent with their respective financial plans
LOCAL GOVERNMENT RATINGS OF REGIONAL SERVICES AND COORDINATION PROVIDED BY THE COUNTY What: Feedback on percent of local government officials who positively rate Orange County CEO leadership Why: Provides CEO with an indicator of the quality of leadership the office is providing to the community	As a cost-saving measure, the CEO delayed utilizing a consultant to conduct the survey	CEO will examine feasibility of conducting survey in-house	Not applicable
LEGISLATIVE AGENDA What: Publish weekly Board of Supervisors' Legislative Bulletin with recommendations at Board Meetings Why: Provides CEO a measure of success in defining legislative agenda and achieving favorable results	As a cost-saving measure, the CEO delayed utilizing a consultant to conduct the survey	CEO will examine feasibility of conducting survey in-house	Not applicable

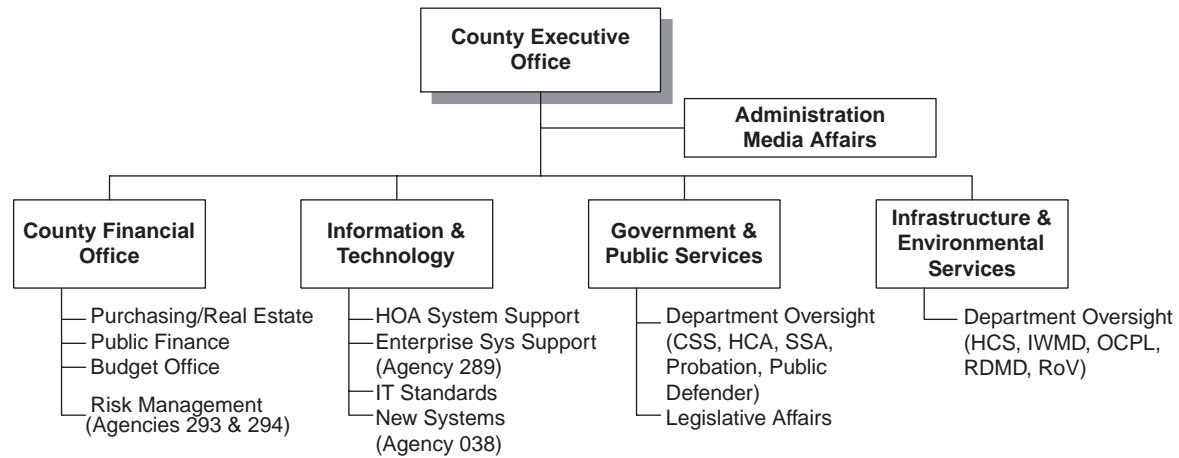
FY 2003-2004 Key Project Accomplishments:

- GOAL 1: Facilitate, support and ensure the implementation of decisions by the Board of Supervisors
- The 2003 County Strategic Financial Plan was adopted by the Board in March, 2003
- The 2004 Business Plan process was implemented with final plans due in March, 2004
- Conducted two public Budget Workshops to provide the Board with up-to-date information and data to assist the Board in becoming familiar with the fiscal challenges facing the County in the up-coming Fiscal Year, and to assist the Board in making the necessary decisions to adopt the FY 2003-04 County Budget
- On a weekly basis, brief each of the Board EAs as well as each Board member regarding up-coming agenda items as well as other off-agenda items to assist each Board office in preparing for up-coming Board meetings, and to keep them apprised of other off-agenda items
- Published weekly legislative bulletins, the Legislative Scorecard for 2003, 14 Washington reports and three Sacramento reports
- Under the Board adopted Legislative Platform and procedures, monitored State legislative activity closely to assess potential impacts to the 2003-04 Budget
- The Community Indicators Report was updated and published in March 2004
- Completed labor contract negotiations and obtained Board approval of initial agreements for In-Home Supportive Services Public Authority (IHSS) and MOUs with Orange County Managers Association (OCMA), Association of Orange County Deputy Sheriffs (AOCDS) and Orange County Attorneys' Association (OCAA)

- Made significant progress on standardizing procurement solicitation and contract documents for human services, public works and architect-engineer procurements
- Began initial implementation of the Ad Hoc RFP Committee recommendations adopted by the Board
- Purchased all commercial insurance protecting County assets and provided these services to the new In-Home Support Services per Board directive
- GOAL 2: Improve County government's effectiveness in addressing community issues and trends
- Provided training to County employees in core areas such as: LEAD, executive development and coaching, performance management and EEO. In addition, Labor Relations launched the "Bringing Out the Best in You" training program available to all non-supervisory employees and "Implementing Improvement Plans" for supervisors and managers
- The County continued discussions with labor organizations regarding the review and restructuring of Labor Management Committees
- The Countywide employee recognition programs, "Person to Person" and the "Spotlight Awards" were implemented
- Developed the framework and general design for an Employee Orientation Program
- Assessments of the County's performance management programs were conducted to obtain information on how to enhance/improve these programs and make them more meaningful
- Implemented a new standardized County website/homepage format
- Successfully implemented new search engine capability for the County web site that provides more accurate search results for internal staff and visitors to the site
- Provided IT technical assistance to the Registrar of Voters to support the California Special Election
- GOAL 3: Ensure the financial strength and integrity of the County of Orange
- Developed 2003 Strategic Financial Plan approved by the Board in March 2003
- Issued \$100 million in bonds for loan originations in Orange and Los Angeles Counties through SCHFA/CalHFA, a joint partnership with the State of California in Orange and Los Angeles Counties
- Presented a balanced budget for 2003-04 which was adopted by the Board on June 24, 2003
- Maintained Moody's and Standard & Poor's credit ratings of Aa2 and A+, respectively, at the same time that the State of California's credit rating slips
- Conducted summer investor relations meetings in New York
- Improved coordination with Orange County Employees Retirement System on various retirement-related policy and financial issues and reached agreement on the ARBA (Additional Retirement Benefit Account) which offers assurance to retirees on continued healthcare subsidies which provide a three-year reserve to continue retiree health grants
- Completed the consent process with MBIA which removed the lien of the 1996 Recovery Certificates of Participation for eight County properties and which will allow the County to undertake other potential projects with these properties
- Issued the Orange County Development Agency, Tax Allocation Refunding Bonds, Series 2003 for Santa Ana Heights in the amount of \$38.48 million which resulted in using \$10 million of prior bond proceeds for debt principal reduction and the present-value savings to the OCDA in the amount of \$5.2 million or 10.9% of the 1993 Bonds refunded
- Developed strategies to secure new insurance protection and avoid new liability exposures related to terrorism
- Developed and implemented comprehensive safety, loss prevention and insurance programs for the County
- Issued numerous Countywide master contracts to secure volume discounts and reduce duplicative procurement solicitations

- Conducted and/or coordinated deputy purchasing agent training classes that focused on cost and financial risk reduction including negotiations and insurance
- Completed 168 facility inspections; conducted 142 training classes for 2,042 employees; completed 136 ergonomic consultations and 11 Department Safety Program evaluations to improve safety and loss prevention capacity; continued active liaison and training with Departmental Safety Representatives
- Initiated a collaborative process utilizing a committee of agency/department representatives to obtain buy-in and recommendations on a comprehensive and integrated financial plan and biennial budget process
- Redesigned the quarterly budget report to include more in-depth information on the status of the County's revenues, expenditures, Net County Cost, budgeted positions and various agency/departmental budgeted issues
- Prepared four quarterly budget reports for the Board to update the 2003-04 annual budget
- Successfully implemented a pilot program with Adobe Online Forms/Workflow software to evaluate the potential cost savings of converting paper to electronic media as well as improving County business processes
- Successfully implemented a CEO and Board of Supervisors approved one-year County pilot project using County staff to provide hands-on document imaging support to agencies/departments. Use of the County team has provided improved services to agencies/departments and reduced costs for scanning by 30 - 50%
- Moved Enterprise Data Center administrative and technical staff from existing computer room space to other County space, then leased the vacant computer room to the ACS contractor, which, in turn, generated \$1.5 million in funds used to offset data center operations costs to constituents
- Developed comprehensive policy adopted by the Board and related procedures for controlling costs through tightened control over contract cost contingency increases
- Generated substantial revenues in the sale of surplus properties
- Withdrew eight properties from the 1996 Recovery Certificates of Participation (COPS)
- Goal 4: Preserve and advance the interest of the Orange County Community by working with other levels of government and ensuring regional issues and needs are addressed
- Completed a very active and successful legislative program in Sacramento and Washington, D.C.
- Facilitated and coordinated, with other public agencies, the annexation of 17 small, County islands into three cities
- Countywide child care services were enhanced by opening 49 new licensed child care programs to serve an additional capacity of 3,695 children
- Labor Relations continued tracking and monitoring legislation relating to workforce, employment and benefits issues as developments occurred during the legislative session and coordinated with CSAC and the CEO's Legislative Affairs to provide information on potential impacts and articulated positions
- Established a City/County Working Group consisting of City Managers and County executive management staff to discuss common issues and develop ways to work together to find ways to address those issues
- Worked closely with the Local Agency Formation Commission (LAFCO) to develop strategies to address regional issues and regional service delivery
- In collaboration with other public agencies, prepared and published the 2004 Community Indicators Report which annually monitors major trends on several topics, and presented the Report to the Board of Supervisors and the Orange County Forum in March of 2004
- Labor Relations continued to implement and coordinate the County's Rideshare Program in compliance with South Coast Air Quality Management District rules

Organizational Summary



COUNTY EXECUTIVE OFFICE - Provides corporate leadership and oversight to assure implementation of Board policies and directions. The CEO has seven direct reports and budget oversight responsibility for all County departments.

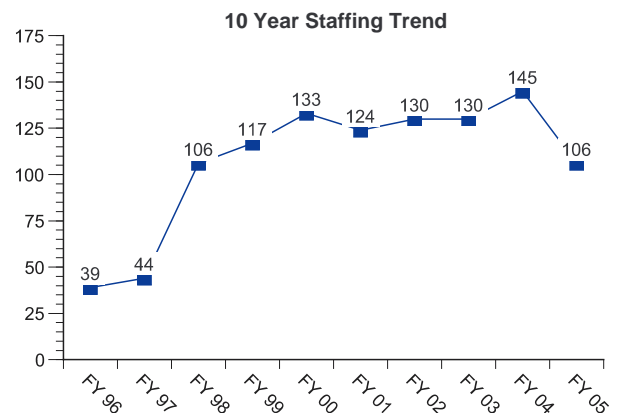
COUNTY FINANCIAL OFFICE - Provides leadership and oversight of the overall financial operations of the County. Major responsibilities include long-range strategic financial planning, public finance, risk management, budget, corporate business planning, corporate purchasing, and real estate support.

INFORMATION & TECHNOLOGY - Provides leadership in the strategic planning, implementation, and overall best practices operations of corporate information technology to achieve County goals and objectives. Major responsibilities include the County IT Strategic Plan, IT Standards, IT Governance model oversight and management, IT policy development, Enterprise Data Center operations, local and wide area network operations applications development and programming, IT Assessments and telecommunications.

INFRASTRUCTURE & ENVIRONMENTAL SERVICES - Provides leadership and oversees management of the following county agencies/departments: Housing & Community Services, Resources & Development Management, Public Library, Integrated Waste Management Department, and Registrar of Voters. Coordinates service delivery and policy development of key countywide regional services to accomplish county corporate and regional goals.

GOVERNMENT PUBLIC SERVICES - Provides leadership in planning and establishing effective governance structures and relationships to accomplish county corporate and regional goals. Oversees management of the following County agencies/departments: Social Services Agency, Health Care Agency, Probation, Public Defender, and Child Support Services. Other major responsibilities include coordination of all Federal and State legislative advocacy efforts, and the County's External Restructuring Program.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- FY 97/98 - As a result of County restructuring, the Office of Human Resources (HR), Purchasing, Real Estate, and the Records Management Program (Record Center), and an accompanying 62 positions, merged into the County Executive Office. Prior to FY 97/98, the Office of HR was an independent operating agency, and

Purchasing, Real Estate, and the County Records Center were divisions within General Services Agency, which was disbanded during the restructuring process.

- FY 98/99 - Positions increased to support strategic priorities and other activities, such as Real Estate, Homeless Issues Coordination, and El Toro Master Development Program. This included position transfers from other operating agencies, i.e., PF&RD and HCD, to the CEO, as well as some limited-term positions.
- FY 99/00 - Positions increased to support strategic priorities. This included a position transfer from SSA, ongoing program support conversions from extra help to regular, and limited-term positions to support the El Toro Master Development Program.
- FY 00/01 - Positions decreased as limited-term positions related to El Toro MCAS were deleted.
- FY 01/02 - One position added to Human Resources for clerical support of the Volunteer Program and virtual employment center. Two long term extra help positions converted to regular positions, one for Strategic Affairs to support Media Relations and one to support CEO Administration. Four positions transferred in from Data Systems to support the Hall of Administration. In the Final Budget one additional position added in Purchasing to jointly support both Children and Families Commission and the LRA. Mid year, in 00-01, four positions transferred from CEO to the Local Redevelopment Authority and two positions added for the Watershed Program and child care coordination.
- FY 02/03 - One position transferred to Housing and Community Development for coordination of homeless issues. One position transferred in from Information and Technology ISF to provide purchasing support.
- FY 03/04 - One position deleted in Human Resources as a result of the Strategic Financial Plan reductions. Two positions transferred in to support the new federal mandate for Health Insurance Portability and Accountability Act (HIPAA). Ten positions transferred in from Employee Benefits as Limited Term for CEO IT pilot project for scanning County documents. Four positions

added as an augmentation to CEO purchasing to accomplish the goals of the Board's Ad Hoc Committee recommendations.

- FY 04/05 - The CEO Reorganization was approved by the Board, and adopts a Deputy CEO approach to improve the span of control. Eight positions were deleted, two positions were transferred out, and two positions, one Deputy CEO and one Executive Secretary were added to accomplish this reorganization. Human Resources became a distinct department, while the CEO retains the ten positions for Labor Relations. Ten positions under the CIO were transferred to agency 289 to provide scanning services for the County.

Budget Summary

Plan for Support of the County's Strategic Priorities:

The County Executive Office will lead the Board's strategic planning process, update the Strategic Financial Plan and continue development and implementation of the County's Corporate Management System, integrate and coordinate regional planning efforts, provide leadership in the development of the County's human resources, technology, financial and administrative functions, and support the Board in developing and pursuing the Orange County Legislative Platform.

Changes Included in the Recommended Base Budget:

Appropriations include a decrease in excess of \$2.1 million in salaries, which includes the changes approved by the Board for the CEO reorganization, including the deletion of 8 positions, and the reformation of HR as a separate agency. Also included is a reduction of \$875,000 in four areas of the Economic Development program, affecting tourism, business council, arts and film.

Proposed Budget and History:

Sources and Uses	FY 2002-2003 Actual	FY 2003-2004 Budget As of 3/31/04	FY 2003-2004 Projected ⁽¹⁾ At 6/30/04	FY 2004-2005 Recommended	Change from FY 2003-2004 Projected	
					Amount	Percent
Total Positions	-	137	137	106	(31)	-22.63
Total Revenues	2,727,184	2,293,066	2,324,015	2,184,309	(139,706)	-6.01
Total Requirements	17,937,006	21,029,891	21,176,664	17,735,089	(3,441,575)	-16.25
Net County Cost	15,209,821	18,736,825	18,852,649	15,550,780	(3,301,869)	-17.51

(1) Requirements include prior year encumbrances and expenditures. Therefore, the above totals may not match FY 2003-2004 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: County Executive Office in the Appendix on page 447.

Highlights of Key Trends:

- The most significant challenge faced by County government has been, and continues to be, the uncertainty of the State budget cuts and their potential impact on County services. This daunting task includes addressing the potential impacts of another major property tax revenue shift from the County ranging as high as \$69 million and the potential result of key program reductions as recommended in the Governor's budget proposal released on January 10, 2004.
- The County Executive Office, where possible, has developed strategies and approaches to identify alternatives for the Board and the Legislature to minimize local impacts. The County Executive Office continues to focus on identifying various financial options for the Board of Supervisors to utilize in addressing potential impacts from these budget scenarios. CEO staff will continue to tightly monitor our expenditures and has maintained a limited hiring freeze.

Budget Units Under Agency Control

No.	Agency Name	County Executive Office	County Financial Office	Information & Technology	Infrastructure & Environmental Services	Government Public Services	Total
004	Miscellaneous	0	196,814,204	0	0	0	196,814,204
016	Recovery Cop Lease Financing	0	65,979,848	0	0	0	65,979,848
017	County Executive Office	5,611,758	7,815,601	1,761,021	308,495	2,238,214	17,735,089
019	Capital Acquisition Financing	0	8,855,546	0	0	0	8,855,546
036	Capital Projects	0	28,145,688	0	0	0	28,145,688
038	Data Systems Development Projects	0	0	14,999,103	0	0	14,999,103
081	Trial Courts	0	65,456,349	0	0	0	65,456,349
099	Provision For Contingencies	0	5,000,000	0	0	0	5,000,000
104	Criminal Justice Facilities - Accumulative Capital	0	8,300,321	0	0	0	8,300,321
105	Courthouse Temporary Construction	0	3,007,652	0	0	0	3,007,652
135	Real Estate Development Program	0	2,526,591	0	0	0	2,526,591
13A	Litigation Reserve - Escrow Agent FTCL	0	186,030	0	0	0	186,030
13J	Children'S Waiting Room	0	630,030	0	0	0	630,030
13N	Orange County Tobacco Settlement	0	36,111,293	0	0	0	36,111,293
145	Revenue Neutrality Fund	0	12,436,545	0	0	0	12,436,545

Budget Units Under Agency Control

No.	Agency Name	County Executive Office	County Financial Office	Information & Technology	Infrastructure & Environmental Services	Government Public Services	Total
14B	County Public Safety Sales Tax Excess Revenue	0	55,734,419	0	0	0	55,734,419
14L	Local Law Enforcement Block Grant	0	88,640	0	0	0	88,640
14U	Court Facilities	0	2,393,934	0	0	0	2,393,934
14V	Debt Prepayment	0	94,045,566	0	0	0	94,045,566
14X	Tobacco Settlement	0	1,281,034	0	0	0	1,281,034
14Y	Indemnification Reserve	0	20,092	0	0	0	20,092
14Z	Litigation Reserve	0	3,633,589	0	0	0	3,633,589
15J	Pension Obligation Bonds Debt Service	0	17,102,523	0	0	0	17,102,523
15P	Refunding Recovery Bonds	0	60,353,925	0	0	0	60,353,925
15S	Designated Special Revenue	0	26,618,428	0	0	0	26,618,428
289	Information & Technology Internal Service Fund	0	0	54,339,116	0	0	54,339,116
293	Workers' Compensation Internal Service Fund	0	47,793,602	0	0	0	47,793,602
294	Property And Casualty Risk Internal Service Fund	0	35,005,848	0	0	0	35,005,848
599	O. C. Special Financing Authority Debt Service	0	73,265,260	0	0	0	73,265,260
9A0	Public Financing Program (Pgm III)	0	44,408,021	0	0	0	44,408,021
9B0	Public Financing Program (Pgm V)	0	99,725,977	0	0	0	99,725,977
9C0	Public Financing Program (Pgm VI)	0	253,979,194	0	0	0	253,979,194
Total		5,611,758	1,256,715,750	71,099,240	308,495	2,238,214	1,335,973,457

135 - REAL ESTATE DEVELOPMENT PROGRAM

Operational Summary

Description:

This Fund contains appropriations for up-front costs related to real estate development projects such as advance planning, appraisals, advertising, etc. Revenue from such projects is then transferred to the General Fund. Rents from automated teller machines, cafeterias, and vendor carts are the primary sources of ongoing revenue.

FY 2003-2004 Key Project Accomplishments:

- \$1.6 million in property sales occurred in FY 03-04.

At a Glance:

Total FY 2003-2004 Projected Expend + Encumb:	1,806,187
Total Recommended FY 2004-2005 Budget:	2,526,591
Percent of County General Fund:	N/A
Total Employees:	0.00

Budget Summary

Changes Included in the Recommended Base Budget:

Approximately \$2.4 million will be transferred to the General Fund as a result of the sale of the Forest Paull parcel. Vendor concessions previously accounted for in Fund 15R are now included in this fund.

Proposed Budget and History:

Sources and Uses	FY 2002-2003 Actual	FY 2003-2004 Budget As of 3/31/04	FY 2003-2004 Projected ⁽¹⁾ At 6/30/04	FY 2004-2005 Recommended	Change from FY 2003-2004 Projected	
					Amount	Percent
Total Revenues	115,819	15,133,287	1,806,187	2,526,591	720,404	39.89
Total Requirements	110,532	15,133,287	1,806,187	2,526,591	720,404	39.89
Balance	5,287	0	0	0	0	-100.00

(1) Requirements include prior year encumbrances and expenditures. Therefore, the above totals may not match FY 2003-2004 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: Real Estate Development Program in the Appendix on page 534.

Highlights of Key Trends:

- A slight increase in vendor concessions is a result of

incorporating concessions previously accounted for in Fund 15R.

025 - COUNTY COUNSEL

Operational Summary

Mission:

To provide the highest quality legal advice and representation to the Board of Supervisors, elected and appointed department heads, County agencies/departments and staff, and Board-governed special districts.

Strategic Goals:

- Provide highly competent legal advice to clients on matters related to their public duties and responsibilities in the administration of the public's business, in accordance with high ethical and professional standards.
- Effectively prosecute and defend civil actions in which clients are involved.
- Deliver all legal services to clients as efficiently and economically as possible.

Key Outcome Indicators:

Performance Measure	2003 Business Plan Results	2004 Business Plan Target	How are we doing?
PERCENTAGE OF AGENCIES RATING ADVISORY SUPPORT AS SATISFACTORY IN TERMS OF QUALITY & RESPONSIVENESS. What: Measurement of quality and effectiveness of services provided. Why: Client satisfaction is the primary measure of success for a service agency.	96% based on survey of clients.	Maintain at 90% or better rate of success.	Met goal.
PERCENTAGE OF WRITTEN OPINIONS CHALLENGED IN COURT OR ADMINISTRATIVE PROCEEDINGS. What: Measurement of the quality of legal advice. Why: Provides measure of quality of services provided.	One opinion challenged out of 227 issued (less than 0.5%).	Maintain at 5% or less.	Exceeded goal.
PERCENTAGE OF CHALLENGED WRITTEN OPINIONS THAT ARE UPHELD. What: Measurement of the quality of legal advice. Why: Provides measure of quality of services provided.	One opinion upheld (100%).	Maintain 90% or better rate of success.	Exceeded goal.

Key Outcome Indicators: (Continued)

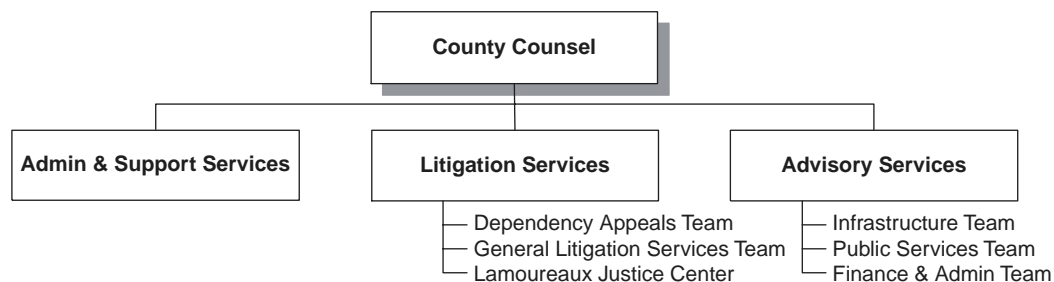
Performance Measure	2003 Business Plan Results	2004 Business Plan Target	How are we doing?
PERCENTAGE OF CLIENTS RATING LITIGATION SUPPORT AS SATISFACTORY IN TERMS OF QUALITY/RESPONSIVENESS. What: Measurement of quality and effectiveness of services provided. Why: Client satisfaction is the primary measure of success for a service agency.	90% based on survey of clients.	Maintain at 90% or better rate of success.	Met goal.
PERCENTAGE OF DEPENDENCY CASES UPHELD ON APPEAL. What: Measurement of the quality of services provided by County Counsel. Why: Provides measure of quality and effectiveness of services provided.	Over 90% were upheld on appeal.	Maintain 90% or better rate of success.	Exceeded goal.
PERCENTAGE OF MENTAL HEALTH CASES WON OR RESOLVED WITH APPROVAL OF CLIENT. What: Measurement of the quality of services provided by County Counsel. Why: Provides measure of the quality and effectiveness of services provided.	94% won or resolved.	Maintain 90% or better rate of success.	Exceeded goal.
PERCENTAGE OF GENERAL LITIGATION CASES WON OR RESOLVED WITH APPROVAL OF CLIENT. What: Measurement of the quality of services provided by County Counsel. Why: Provides measure of quality and effectiveness of services provided.	Estimated to be 90-95%.	Maintain 90% or better rate of success.	Met or exceeded goal.
PERCENTAGE OF CLIENT REQUESTS FOR LEGAL ADVICE RESPONDED TO WITHIN 30 DAYS. What: Measurement of the timeliness and effectiveness of services provided. Why: Provides measure of quality and effectiveness of services provided.	The number of opinion requests still outstanding after 30 days is 32 requests, compared to a baseline of over 200 opinion requests still outstanding after 30 days in 1998. (This figure is 15% of the 1998 baseline, and represents a 47% decrease in outstanding opinion requests since 2002.)	Maintain inventory of 30-day old opinion requests at 15% or less of 1998 baseline.	Exceeded goal. Opinion productivity is up 5% and Opinion backlog has been reduced below target level.
PERCENTAGE OF CLIENTS RATING LEGAL SERVICES AS SATISFACTORY OR BETTER IN TERMS OF TIMELINESS. What: Measurement of timeliness of services provided. Why: Client satisfaction is the primary measure of success for a service agency.	90% based on survey of clients.	Maintain 90% or better rate of success.	Met goal.

FY 2003-2004 Key Project Accomplishments:

- Shifted attorney resources to meet increased demands in the practice areas of mental health jury trials, an increased litigation workload in the areas of eminent domain and flood control works, and a challenge to the new County Charter.
- Expedited the review and approval of the Social Services Agency's year-end contracts. (There are approximately 60 such "year end" contracts, many of which are voluminous, in addition to our normal contract workload.)
- Provided substantial unprogrammed hours of attorney time to the implementation of the Health Insurance Portability and Accountability Act (HIPAA) throughout County agencies.

- Advised John Wayne Airport staff on federal and statutory legal issues pertaining to post-9/11 legal requirements for enhanced security including the new Aviation and Transportation Security Act and negotiations with the newly formed federal Transportation Security Administration. Reviewed and assisted in drafting all applicable agreements between the County and the Transportation Security Administration related to its implementation of 100% baggage screening at John Wayne Airport and drafted the emergency contract pertaining to the construction of improvements necessary to accommodate 100% baggage screening.
- Instituted new Law Awareness Workshop program.
- Increased training for client agencies.
- Successfully defended appellate challenge to road fees in the sum of \$787,000 paid to the County by two developers and challenged in Extra Space of Laguna Hills v. County of Orange.
- Successfully defended court challenges to the new County Charter.
- Undertook representation of County's Deferred Compensation Plan when joined in marital dissolution actions.
- Provided both advice and representation in numerous stop notice cases.
- Successfully represented the County and its various departments in Pitchess motions for law enforcement records, and subpoenas for employee records.
- Provided legal advice and representation for the Assessor on tax matters before the Assessment Appeals Board and in the Superior Court.
- Coordinated the retention of appraisers for the Santa Ana River Project.
- In 2003, approximately 200 mental health (LPS) cases were set for jury trial. Eight, twelve, or even more cases were set for jury trial each week, which meant a great deal of additional trial negotiation and preparation resources were needed. To meet this need, a special Strike Team of litigators from the general litigation team was created. In coordination with the regular County Counsel Probate/Mental Health team, this combined effort assured that County Counsel was ready for each case. In the process, the Office developed improved mechanisms for obtaining and organizing voluminous mental health records.
- Provided extensive training for Public Administrator/Public Guardian staff in matters relating to the handling of estates and court proceedings and testimony.

Organizational Summary



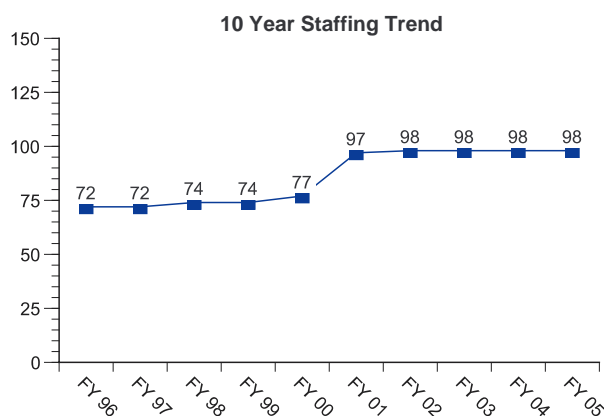
COUNTY COUNSEL - EXECUTIVE - Provides executive management oversight for department. Attends Board of Supervisors' meetings and provides legal services to the Board of Supervisors.

ADVISORY SERVICES - Provides legal advice to officers and employees of the County on matters relating to their duties and responsibilities in the administration of the public business. Drafts and reviews legal opinions, contracts, leases, licenses, permits, deeds and conveyances, franchises and city-County agreements, Ordinances, Resolutions, and bills for introduction in the Legislature. Attends meetings of the Board of Supervisors and other County boards and commissions.

LITIGATION SERVICES - Prosecutes and defends civil actions in which the County or Board-governed districts are involved such as eminent domain proceedings, tax cases, zoning matters, environmental and contract actions, damage suits, and election matters. Provides legal services to the Public Administrator/Public Guardian in conservatorship matters and legal services to the Social Services Agency in Juvenile Court matters concerning abused, abandoned, or neglected children.

ADMINISTRATIVE SUPPORT - Provides administrative, clerical, and general support for the County Counsel and the two other divisions. Responsible for secretarial support to the attorneys, law library support and resources, human resources functions, budget, records management, computer systems and network administration, accounting, safety, and purchasing.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- No new positions were added in the base budget request for FY 04/05, 03/04 or in FY 02/03.
- One position was added in FY 01/02 in response to client department request for additional service in the area of HCA special education and juvenile client issues.
- Twenty positions were added in FY 00/01 in response to client department requests for additional services in the areas of SSA/Juvenile Dependency and CSA/PA-PG LPS/Probate and for added litigation support.
- Five positions were added from FY 95/96 to FY 99/00 to meet increased service requests by client departments.

Budget Summary

Plan for Support of the County's Strategic Priorities:

County Counsel will continue to improve efficiencies, effectiveness, and economies within the department through expanded use of technology for communications, document review and production, and legal research. Staff will also continue to focus on successful implementation of the organizational performance measurement program (ROG), the attorney pay for performance program, and the employee pay for performance program (PIP). County Counsel will continue to use contractors in lieu of adding staff when cost effective.

Changes Included in the Recommended Base Budget:

Appropriations requests reduced to meet NCC target budget.

Requested Budget Augmentations and Related Performance Results:

Unit/Amount	Description	Performance Plan	Ref. Num.
Add 1 Sr. Deputy Attorney for Sheriff-Coroner Support (FY 04-05) Amount: \$ 156,791	1 attorney to provide legal support services to the Sheriff-Coroner.	Respond to all priority requests w/in 10 days and to 90% of all other requests within 30 days.	025-735

Requested Budget Augmentations and Related Performance Results: (Continued)

Unit/Amount	Description	Performance Plan	Ref. Num.
Add 1 Sr. Deputy Attorney for Human Resources Support (FY 04-05) Amount:\$ 156,791	1 Sr. Deputy Attorney for Human Resources support.	Respond to all priority requests w/in 10 days & to 90% of all other requests within 30 days.	025-543
Add 2 Deputy Attorney IV Positions for SSA-Juvenile Dependency Support (FY 04-05) Amount:\$ 287,948	2 Deputy Attorney IV positions to provide support for Juvenile Dependency cases.	Reduction in delay of critical decisions for children.	025-544
Add 1 Sr. Legal Secretary for Attorney Support (FY 04-05) Amount:\$ 49,647	1 Sr. Legal Secty to provide support services to 3 new attorneys requested for the Sheriff & HR.	Provide adequate secretarial support to the attorneys in the advisory unit.	025-546

Proposed Budget and History:

Sources and Uses	FY 2002-2003 Actual	FY 2003-2004 Budget As of 3/31/04	FY 2003-2004 Projected ⁽¹⁾ At 6/30/04	FY 2004-2005 Recommended	Change from FY 2003-2004 Projected	
					Amount	Percent
Total Positions	-	98	98	98	0	0.00
Total Revenues	1,605,020	2,104,500	2,025,738	2,004,500	(21,238)	-1.05
Total Requirements	4,976,621	8,220,435	8,553,851	8,265,053	(288,798)	-3.38
Net County Cost	3,371,601	6,115,935	6,528,113	6,260,553	(267,560)	-4.10

(1) Requirements include prior year encumbrances and expenditures. Therefore, the above totals may not match FY 2003-2004 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: County Counsel in the Appendix on page 452.

Highlights of Key Trends:

- There is a continuing shift in the skill mix required in the practice of law. As the practice of law has become more complex, specialists have replaced general practitioners in the legal profession, and this trend has impacted County Counsel. Attorneys in the County Counsel's Office have always been specialists in public law. But in recent years, the advisory and litigation attorneys in the County Counsel's Office have found it necessary to concentrate on specialized areas of legal practice, in order to deliver quality legal services to the County of Orange. Developing and maintaining a high level of expertise in specialized areas of legal practice presents a continuing challenge for this Office.
- In 2003, our property tax litigation workload has increased, and this trend is expected to continue. In addition, there has been an increase in the number of mental health cases set for jury trial. The number of indexed legal opinions issued by the office increased from 215 in 2002 to 227 in 2003. There have been significant increases in transactional work (other than requests for formal opinions) in the areas of contract negotiation and drafting, preparation and review of agenda staff reports, and legal review of employee benefit plans and related issues.
- The demand for expertise in water quality issues will continue to increase in 2004 and subsequent years. State and federal agencies are increasing their enforcement efforts in this area, particularly in the control of urban runoff and other non-point pollution sources. The Housing and Community Services Department anticipates an increase in the number and complexity of real property transactions. The size and complexity of planned developments such as Rancho Mission Viejo and Irvine Company projects require substantial expertise in land use law. The need for advisory services for the anticipated review and restructuring of the entire County purchasing system will tax available advisory services. Increasing Mental Health/Probate caseload may require the diversion of attorney time from train-

ing and advisory services to courtroom coverage. Increases in Assessment Appeals Board (AAB) and tax-related caseload are expected as a result of a recent court decision. Santa Ana River Project planning will continue with an increase in legal service needs anticipated as condemnation progresses. Health Care Agency enforcement actions relating to hazardous material dis-

posal will require higher levels of service. Registrar of Voters will require increased legal services for implementation of the federal Help America Vote Act, and for issues surrounding the introduction of electronic voting machines. Likely enactment of severely reduced State budget will most likely result in litigation against the State and, quite possibly, litigation against the County.

Budget Units Under Agency Control

No.	Agency Name	County Counsel - Executive	Advisory Services	Litigation Services	Administrative Support	Total
025	County Counsel	276,382	3,016,102	2,690,246	2,282,323	8,265,053
	Total	276,382	3,016,102	2,690,246	2,282,323	8,265,053

031 - REGISTRAR OF VOTERS

Operational Summary

Mission:

To ensure the integrity of the County's election process through administration of all federal, state, and local election laws in a uniform, consistent, and accessible manner with the highest possible degree of professionalism. Further, we will work to promote public confidence and increase participation by all eligible Orange County citizens in the elections process.

Strategic Goals:

- Increase full participation by Orange County's citizens in the elections process.
- Ensure the accuracy of the elections process.
- Ensure public confidence in the elections process.

Key Outcome Indicators:

Performance Measure	2003 Business Plan Results	2004 Business Plan Target	How are we doing?
INCREASE PERCENTAGE OF REGISTERED VOTERS VOTING. What: Increase voter participation. Why: This will encourage more eligible citizens to participate in the election process.	Registrar of Voters average was equal to that of the State as a whole.	Direction to staff is to improve the numbers by working with the community. Working together we can learn how to best deal with the psychological and institutional problems surrounding voting. Public relations for the new system will be extended resulting in greater citizen participation.	Department reorganization is in progress. Additionally, an advisory committee has been formed and meets regularly to discuss ways to increase the number of voters. Interest in the October 7, 2003 Statewide Special Election undoubtedly helped raise our percentage.
ENSURE THE ACCURACY OF THE INITIAL VOTE COUNT AGAINST THE 1% MANUAL RECOUNT. What: Accuracy of the initial vote count against the 1% manual recount. Why: Maintain and improve voter confidence in the accuracy of the voting process.	100% accuracy.	The mandated 1% manual recount will confirm the accuracy of the initial machine count.	The count MUST be accurate and the Registrar of Voters has never failed to match the count with the 1% manual recount.

At a Glance:

Total FY 2003-2004 Projected Expend + Encumb:	29,709,760
Total Recommended FY 2004-2005 Budget:	13,254,244
Percent of County General Fund:	0.54%
Total Employees:	50.00

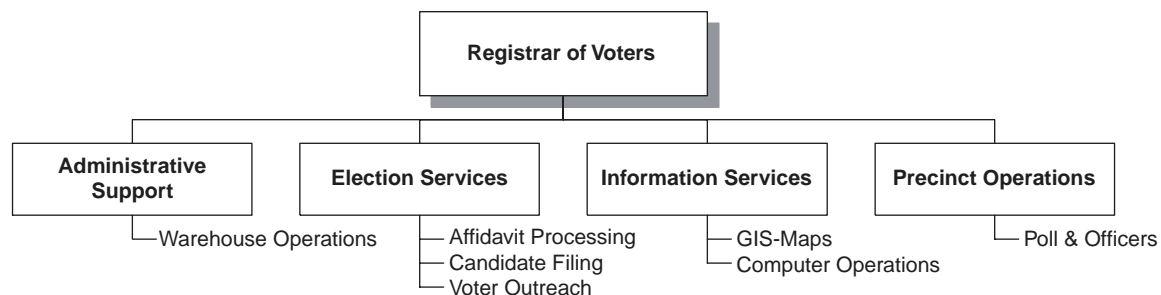
Key Outcome Indicators: (Continued)

Performance Measure	2003 Business Plan Results	2004 Business Plan Target	How are we doing?
INCREASE THE PERCENTAGE OF POPULATION THAT IS SATISFIED WITH THE ELECTIONS PROCESS. What: Increase the percentage of population that is satisfied with the elections process. Why: Regardless of the success of our elections, the perception of our citizens must reflect this belief.	Not previously measured.	We anticipate that by the next major election cycle, when we believe the poll would be most accurate, that a high percentage of Orange County's population will be satisfied with the election process.	Informal surveys have demonstrated a high satisfaction rate within Orange County. However, formal surveys must be done on a continual basis to truly know the public's perception.
INCREASE THE PERCENTAGE OF ELIGIBLE CITIZENS REGISTERED TO VOTE. What: Percent of eligible citizens registered to vote. Why: It will provide the ability to increase percentage of the voting population.	We had an increase of 1.28% in eligible citizens registered to vote from 2002 to 2003.	A significant increase in the percentage of eligible voters being registered.	The percentage of eligible voters registered to vote increased from 68.77% to 74.67% between 1998 and 2003.
INCREASE % OF POPULATION WHO ARE CONFIDENT IN THE ACCURACY & INTEGRITY OF THE ELECTION PROCESS. What: Percent of population who are confident in the accuracy and integrity of the elections process. Why: Understanding the level of confidence in elections helps determine how to increase participation.	Not previously measured.	We anticipate that by the next major election cycle, when we believe the poll would be most accurate, that a high percentage of Orange County's population will have confidence in the accuracy and integrity of the election process.	Informal surveys done in the past demonstrated a high satisfaction rate within Orange County. However, formal surveys must be done on a continual basis to truly know the public's perception.

FY 2003-2004 Key Project Accomplishments:

- The successful implementation of the direct record electronic voting system (DRE), including providing ballots in five languages and providing voting systems that meet Americans with Disabilities Act requirements. Increased the speed of vote counting with the implementation of the DRE. Implemented the use of a mobile polling place, including during early voting which we brought to Orange County for the first time. Automated the absentee ballot outbound mailing system. Complied with the State mandate to provide provisional voters the status of their ballot for free.

Organizational Summary



REGISTRAR OF VOTERS - Oversee all functions of the department.

ADMINISTRATIVE SUPPORT - Provide purchasing, human resources, fiscal management, budget support and warehouse functions.

ELECTION SERVICES - Provide voter/candidate/balloting services.

INFORMATION SERVICES - Maintain election and district data bases/programs, voter file, GIS, 5 LANS.

PRECINCT OPERATIONS - Recruit over 7,000 workers and secure over 1,700 polling places.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- The Registrar of Voters Department was a budget unit within the General Services Agency with a staff as high as 58 but decreased to 29 by FY 95-96 as a result of the bankruptcy.
- In September 2001, the Board of Supervisors approved Registrar of Voters strategic plan and increase staffing to the current level of 50.

Proposed Budget and History:

Sources and Uses	FY 2002-2003 Actual	FY 2003-2004 Budget As of 3/31/04	FY 2003-2004 Projected ⁽¹⁾ At 6/30/04	FY 2004-2005 Recommended	Change from FY 2003-2004 Projected	
					Amount	Percent
Total Positions	-	50	50	50	0	0.00
Total Revenues	7,977,591	19,714,962	20,505,409	4,655,998	(15,849,411)	-77.29
Total Requirements	13,866,097	30,408,933	30,264,072	13,254,244	(17,009,828)	-56.20
Net County Cost	5,888,506	10,693,971	9,758,663	8,598,246	(1,160,417)	-11.89

(1) Requirements include prior year encumbrances and expenditures. Therefore, the above totals may not match FY 2003-2004 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: Registrar of Voters in the Appendix on page 457.

Highlights of Key Trends:

- Continued integration of our new direct record electronic voting system (DRE).
- Enhancement of poll worker training. Increased community group participation in the poll worker recruitment process.
- Implementation of quality assurance/compliance program.

Budget Summary

Plan for Support of the County's Strategic Priorities:

Consistent with the departmental business plan as all functions within this department are driven toward conducting elections at the most efficient, cost effective level. In 2002-03, the County designated the implementation of an electronic voting system as a strategic priority. The system worked well in the March 2004 Primary election and the Department is refining processes for use in the November 2004 General Election.

Changes Included in the Recommended Base Budget:

Payments on our direct record electronic voting system will total \$2,812,248, all of which will be paid for with Help America Vote Act funding. The payments will be for training, outreach, maintenance and software support for the November General Election. Automation of the absentee voter process will be completed with the purchase of an inbound mailing solution at a cost of \$500,000.

Budget Units Under Agency Control

No.	Agency Name	Registrar Of Voters	Administrative Support	Election Services	Information Services	Precinct Operations	Total
031	Registration And Elections	155,936	7,527,118	1,221,391	1,387,314	2,962,485	13,254,244
	Total	155,936	7,527,118	1,221,391	1,387,314	2,962,485	13,254,244

054 - HUMAN RESOURCES DEPARTMENT

Operational Summary

Mission:

In January 2004, the CEO reorganized and established the Human Resources Department from a portion of the former CEO/HR function. The HR department is currently in transition and will be redefining its mission, goals and outcome measures during the FY 04-05. In the interim, the HR Department will be providing County-wide leadership in recruitment, classification, benefits administration and Equal Employment Opportunity.

At a Glance:

Total FY 2003-2004 Projected Expend + Encumb:	0
Total Recommended FY 2004-2005 Budget:	2,224,495
Percent of County General Fund:	0.09%
Total Employees:	20.00

Strategic Goals:

- The Human Resources Department is presently transitioning to a stand-alone department and its structure is being reviewed by Cooperative Personnel Services (CPS), a governmental agency committed to improving human resources in the public sector. At this time, the County Executive Officer is recruiting a new HR Director who will develop the Department's strategic goals and performance measures.

Key Outcome Indicators:

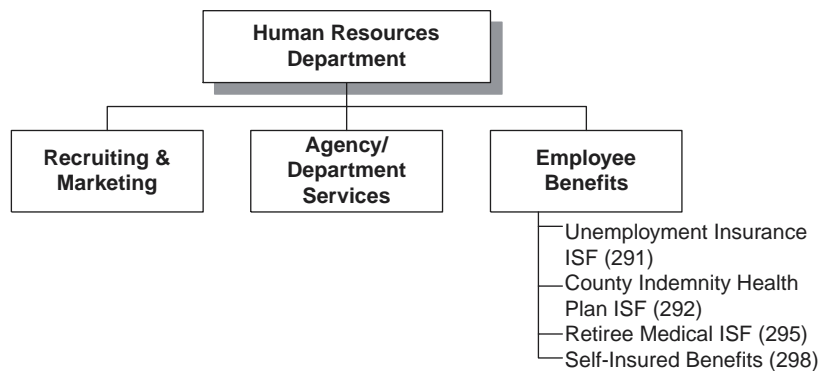
Performance Measure	2003 Business Plan Results	2004 Business Plan Target	How are we doing?
OUTCOME INDICATORS ARE IN DEVELOPMENT AT THIS TIME. What: New WHAT IS IT added, PLZ UPDATE Why: New WHY IS IT IMPORTANT added, PLZ UPDATE	New PERFORMANCE RESULT added, PLZ UPDATE	New PERFORMANCE TARGET added, PLZ UPDATE	New HOW ARE WE DOING added, PLZ UPDATE

FY 2003-2004 Key Project Accomplishments:

- Enhanced County-wide efforts to recruit, manage and recognize volunteers, student interns and reserves resulted in the utilization of 24,111 individuals who contributed 1,086,725 volunteer hours with an estimated \$24,733,118 in avoided costs for the County.
- Completed implementation of the online Employment Verification Program.
- Continued tracking and monitoring legislation relating to workforce, employment and benefits issues as developments occurred during the legislative session and coordinated with CSAC and the CEO's Legislative Analyst's Office to provide information on potential impacts and articulated positions.
- Continued to enhance the effectiveness and process capability of the Virtual Application system security by adding a secure socket layer and providing training and other enhanced security measures.

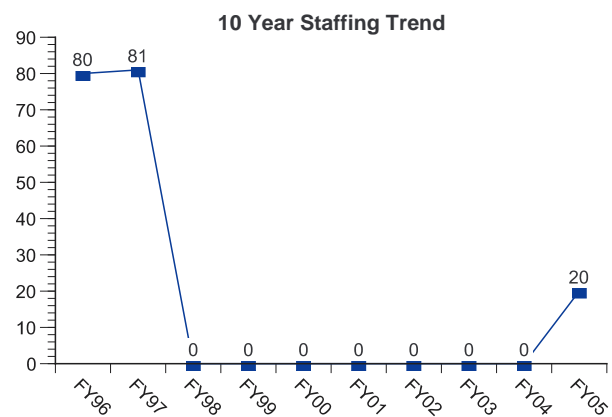
- Continued to implement County-wide conversion of personnel files to imaged records. Process is approximately 75% complete.
- Continued to build alliances with governmental and educational institutions for the purposes of enhancing our sources of candidates for positions and reaching diverse applicant pools.
- Completed comprehensive review and recommendations to update and enhance the "Orange County Selection Rules."
- Developed and implemented Automated Transfer System and Online Applicant screening capability.
- Developed and issued RFP for an Online Recruiting and Applicant Tracking System.
- Established the Classification Working Group to assist HR with upgrading classification training, policies and procedures, study tracking and improving communication with agencies/departments.
- Worked with new CIO to upgrade and implement changes to the IT Enterprise Governance model.
- In conjunction with CEO/IT, received the "Best of Breed" award from the Center for Digital Government for online recruiting system.

Organizational Summary



HUMAN RESOURCES DEPARTMENT - Will perform a leadership role in the development of strategies and best practices to allow the County to attract, select and retain business-required talent. Major responsibilities include the development of marketing strategies, review of County-wide recruitment efforts, management of the County's Classification Program, employee benefits administration and EEO Compliance.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- As a result of the FY 03/04 CEO reorganization, a major portion of the Human Resources function and an accompanying 20 positions (plus 11 Employee Benefits positions) will form the new department in FY 04-05.

Budget Summary

Plan for Support of the County's Strategic Priorities:

The Human Resources Department will continue its partnership with the Auditor-Controller, CFO and CIO as a member of the CAPS Steering Committee. This Committee provides strategic planning and policy direction to the System Management Team.

Changes Included in the Recommended Base Budget:

Agency 054 (HR) is being established in FY 04-05.

Proposed Budget and History:

Sources and Uses	FY 2002-2003 Actual	FY 2003-2004 Budget As of 3/31/04	FY 2003-2004 Projected ⁽¹⁾ At 6/30/04	FY 2004-2005 Recommended	Change from FY 2003-2004 Projected	
					Amount	Percent
Total Positions	-	0	0	20	20	0.00
Total Revenues	0	0	0	4,000	4,000	0.00
Total Requirements	0	0	0	2,224,495	2,224,495	0.00
Net County Cost	0	0	0	2,220,495	2,220,495	0.00

(1) Requirements include prior year encumbrances and expenditures. Therefore, the above totals may not match FY 2003-2004 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: Human Resources Department in the Appendix on page 473.

Highlights of Key Trends:

- FY 04-05 will be a year of transition for HR in which goals and objectives will be redefined and/or developed as the new HR Director comes on board and the results of the CPS audit are reviewed.

Budget Units Under Agency Control

No.	Agency Name	Human Resources Department	Total
054	Human Resources Department	2,224,495	2,224,495
056	Employee Benefits	8,397,794	8,397,794
14F	Deferred Compensation Reimbursement (Ceo)	7,235,142	7,235,142
291	Unemployment Insurance Internal Service Fund	10,866,382	10,866,382
292	County Indemnity Health Internal Service Fund	76,252,143	76,252,143
295	Retiree Medical Internal Service Fund	56,553,215	56,553,215
298	Self-Insured Benefits Internal Service Fund	6,999,854	6,999,854
Total		168,529,025	168,529,025

059 - CLERK-RECORDER

Operational Summary

Mission:

The Clerk-Recorder Office's mission is to provide efficient service to the public in a way that exemplifies the highest standard of courtesy, cost effectiveness, and ethical performance. Public records will be readily accessible to citizens/taxpayers in a convenient manner while safeguarding confidentiality and the security of those records.

Strategic Goals:

- Provide prompt and reliable service to the public
- Enhance public records accessibility
- Safeguard security over the public's records

Key Outcome Indicators:

Performance Measure	2003 Business Plan Results	2004 Business Plan Target	How are we doing?
CONTINUE CUSTOMER SATISFACTION SURVEYS WHICH RATE OVERALL VALUE OF OUR SERVICE TO THE PUBLIC. What: Survey forms measure customer satisfaction and ensure we are addressing customer needs. Why: Quality customer service is our top priority.	Survey results are 99% above standard.	Survey results are targeted to be at least 99% above standard.	The Orange County Clerk-Recorder's Office provides the highest level of service at the lowest cost-per-service unit of any major county in California.
THE NUMBER OF DOCUMENTS UTILIZING ELECTRONIC RECORDING. What: This measurement provides higher levels of transactions with minimal staffing increases. Why: Public has access to recorded documents within short timeframes.	597,289 documents using electronic recording were processed.	700,000 documents are targeted to use Electronic Recording.	Documents submitted via Electronic Recording are recorded within one-two hours of submittal.
NUMBER OF RECORDS CONVERTED TO ALTERNATE MEDIA TO ENSURE EASE OF ACCESS AND PRESERVATION AND SAFETY. What: This measurement is a tool to evaluate efforts to provide access and safeguard the public's records. Why: To provide added security to public records now and for future retrieval.	95,000 vital record images transferred from microfilm to digitized images.	Over 5 million official records targeted for processing to digital images.	The Office's technology plan enhancements are on track and priority continues to be placed on security of records.

FY 2003-2004 Key Project Accomplishments:

- A. RECORDER FUNCTIONS

1. Electronic Recording (ER): Among major breakthroughs for the Clerk-Recorder's Office in 2003, the number of title and insurance companies that record electronically has grown from 57 in 2002 to 82 users. Electronic Recording (ER) customers submit an average of 2,500 documents daily, with the total number of electronically recorded documents exceeding 2.4 million since implementation in 1997.

2. Document Recordings: The Office recorded a record high of 1.4 million documents for Fiscal Year 2002-2003. These recordings are a result, in part, of interest rates at a 40-year low. Real estate new sales and second Deeds of Trust recordings continue at high levels.

■ B. CLERK FUNCTIONS

1. Internet Access: Continued efforts to provide 24/7 access to records via the Internet included making the Fictitious Business Name index and Vital Record ordering available online free of charge this year.

2. Vital Records Automated Application: In December of 2003, an automated vital record application was implemented. This system allows customers to input their application information directly into our database. It expedites the application processing time, reduces customer-waiting period, provides for retrieval and eliminates multiple data entry.

■ C. DEPARTMENTAL WIDE

1. Automation: Important to the County's future ability to maintain, store and retrieve public records was the acquisition and the installation of a mass storage unit. For the purpose of further ensuring record security, it was relocated to the County's Data Center.

2. Archives: As of May, the Archives have been open Monday through Friday from 8:00-5:00. The Department has hired a recognized Archivist and an assistant. The Department continues to make the collection available to as many researchers as possible. During the year our focus was on cataloging material, promoting the use of the Archives and taking steps to ensure the long-term safety of our collection.

3. Operational Efficiencies: Office managers and supervisors meet to discuss unit activities, problems, changes, and departmental improvements. As an outcome of these meetings the office has: Developed and distributed Administrative Procedure Manuals that are available within every unit for all staff to reference and created a "staffing assistance" plan for units to share and seek solutions to their peak workload issues.

4. External Coordination and Public Relations

a. Working with the Health Care Agency in the development of shared information and images relating to vital records.

b. Developing and presenting curriculum and manuals for Authorized Notaries who issue confidential marriage licenses.

c. Working with Fannie Mae to promote national Electronic Recording.

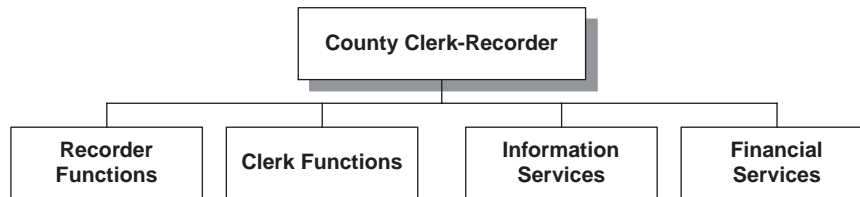
d. In July, the Department participated in the Orange County Fair, Golden Wedding Ceremony. Approximately ten couples, who have been married for fifty or more years, renewed their marriage vows. The Department head presided over portions of the ceremony and provided special words during the toast.

5. Department Audit: For the period January 1, 2002 through March 31, 2003, the Internal Audit Department conducted a cash receipt/trust fund disbursements review of the Department. The Department concurred with, and has implemented all of the review recommendations.

6. Enhancement Fee: On November 25, 2003, the Board approved resuming the collection of the Recorder Enhancement Fee, to be effective January 1, 2004. The Fee is \$1.00 for each additional page recorded. Revenue derived from the collection of the Fee is directly deposited in the Department's Enhancement Trust Fund and may only be used for automated, technological improvements to the Department's operations.

7. Satellite Office: The Department is exploring the feasibility of establishing a satellite office in the County to provide more convenient, easily accessible locations where the public could record transactions and potentially access additional services provided by the Department. The Department anticipates the implementation of such an office within the next twelve months.

Organizational Summary



COUNTY CLERK-RECORDER - The Clerk-Recorder is an elected official who, with the administrative staff, directs the activities of the department in satisfying the needs of the public regarding the recordation of various real property documents, filing of birth, death and marriage records, issuing marriage licenses, and filing Fictitious Business Names and other documents.

RECORDER FUNCTIONS - This division assists the public and title companies in recording documents pertaining to real property transactions. Included in this process is the examination of documents to determine recordability, recording and indexing documents, and optically imaging all recorded documents for storage and retrieval.

CLERK FUNCTIONS - This division is responsible for issuing marriage licenses and performing civil wedding ceremonies. It also registers Notary Publics, Process Servers, Professional Photocopiers, and Unlawful Detainer Assistants; files documents related to Fictitious Business Name registrations and Environmental Impact Reports; and produces copies of recorded documents and issues birth, death, and marriage certificates. The Archives division identifies, collects, preserves, arranges, maintains records of historical significance relevant to the County and County government, and educates the public as to their use. The Archives serves as both a repository for these unique documents and as a resource center open to the public.

INFORMATION SERVICES - This division provides technical and user support for all automated systems within the department. Staff provides short and long term automation planning, systems installation, user training, systems maintenance, and telecommunications support.

FINANCIAL SERVICES - This division is responsible for the fiscal integrity of the Department through the assessment of funding needs and fiscal issues that may impact Department activities. This includes budget planning, development, monitoring and implementation; oversight of expenditures and revenues; purchasing and deposit of funds.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

■ No new positions were added in FY 2004-2005.

Budget Summary

Plan for Support of the County's Strategic Priorities:

The Clerk-Recorder's Office will continue to review costs of operation, maximize service to the public, and contribute revenues in excess of expenses to the County General Fund.

Proposed Budget and History:

Sources and Uses	FY 2002-2003 Actual	FY 2003-2004 Budget As of 3/31/04	FY 2003-2004 Projected ⁽¹⁾ At 6/30/04	FY 2004-2005 Recommended	Change from FY 2003-2004 Projected	
					Amount	Percent
Total Positions	-	102	102	102	0	0.00
Total Revenues	22,132,724	16,167,639	21,715,805	16,302,530	(5,413,275)	-24.93
Total Requirements	7,400,418	9,923,723	9,596,365	10,058,614	462,249	4.82
Net County Cost	(14,732,306)	(6,243,916)	(12,119,440)	(6,243,916)	5,875,524	-48.48

(1) Requirements include prior year encumbrances and expenditures. Therefore, the above totals may not match FY 2003-2004 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: Clerk-Recorder in the Appendix on page 481.

Highlights of Key Trends:

- The recording of real property documents is continuing to remain steady due to low interest rates and high real property financing and refinancing. When compared to the first ten months of DY 02-03, current activity has remained steady thus far in FY 03-04. This volume is anticipated to remain relatively constant through FY 04-05. Our clients expect and will receive speedy and error free real property recordings.
- Interest rates are a key indicator of the number of real property recordings our Office will process. Projections in this regard are not an exact science, however, some trend indicators are useful when projecting workload. the two most important factors affecting real estate

prices are the economy and demographics. The economy goes up and down, but demographics, particularly the baby-boomer generation, just keep rolling along.

- The major Clerk functions in the Office are Fictitious Business Name (FBN) filings, issuance of marriage licenses and birth, death, and marriage certified copies. These operations increase approximate 5% annually. The economy has prompted the opening of new businesses, thus increasing FBN activity. The issuance of marriage licenses and performing civil marriage ceremonies continues at a steady pace in Orange County. The need for certified copies of birth, death, and marriage certificates is on the rise especially with schools requiring birth certificates prior to enrollment and children's sporting activities record requirements.

Budget Units Under Agency Control

No.	Agency Name	County Clerk-Recorder	Recorder Functions	Clerk Functions	Information Services	Financial Services	Total
059	Clerk-Recorder	3,462,607	2,847,124	1,405,982	1,886,158	456,743	10,058,614
	Total	3,462,607	2,847,124	1,405,982	1,886,158	456,743	10,058,614

074 - TREASURER-TAX COLLECTOR

Operational Summary

Mission:

To provide efficient and effective investment, cash management and property tax collection services for the County, cities, special districts and school districts.

Strategic Goals:

- Manage and preserve the investment of all service recipient funds.
- To collect all property taxes for service recipients in accordance to applicable laws.

Key Outcome Indicators:

Performance Measure	2003 Business Plan Results	2004 Business Plan Target	How are we doing?
NET INVESTMENT RETURN. What: Obtain a portfolio yield that meets or exceeds the 90-day US T-Bill and money market benchmarks. Why: To continue to provide safe, efficient and effective investment returns for our clients.	Exceeded the 90-day US T-Bill benchmark by 40.06 basis points. Exceeded money market benchmark by 16.27 basis points.	Continue to exceed benchmarks.	On target.
ADMINISTRATION FEE CHARGED TO POOL PARTICIPANTS. What: To charge the lowest administration fee possible. Why: To provide a modest investment return to pool participants with minimum administrative costs.	Administration fee stayed at 12.50 basis points (i.e., 0.125%).	Administration fee to remain at 12.50 basis points (i.e., 0.125%).	On target.
RATING OF INVESTMENT POOL. What: Maintain highest rating. Why: To assure safest money market practices are being followed.	The Commingled and the Educational investment pools retained their credit ratings. Moody's: Aaa MR1 Fitch: AAA/V1+	Maintain credit ratings. Moody's: Aaa MR1 Fitch: AAA/V1+	On target.

At a Glance:

Total FY 2003-2004 Projected Expend + Encumb:	12,769,155
Total Recommended FY 2004-2005 Budget:	13,565,056
Percent of County General Fund:	0.55%
Total Employees:	92.00

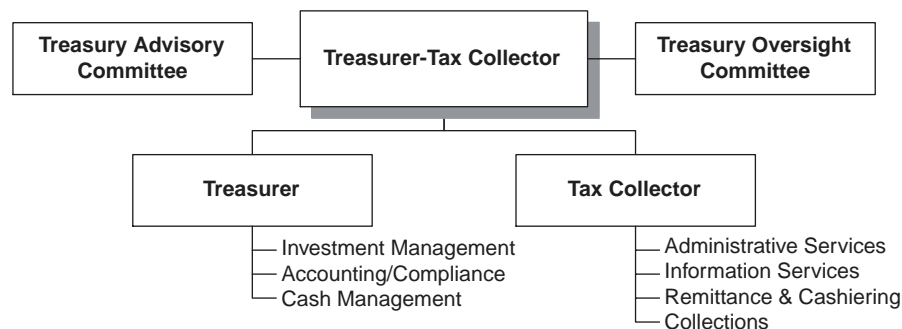
Key Outcome Indicators: (Continued)

Performance Measure	2003 Business Plan Results	2004 Business Plan Target	How are we doing?
STATE PROPERTY TAX COLLECTION RATES FOR SECURED AND UNSECURED PROPERTY. What: Exceed state property tax collection rates for Secured & Unsecured prop by minimizing unpaid taxes. Why: To maximize collections in property taxes for service recipients and County General Fund.	Collection percentage ratings for Secured and Unsecured taxes exceeded state median. Of the 58 counties in California, the County of Orange Secured tax collection improved from 5th to 2nd with a 98.7% collection. And Unsecured tax collection improved from 18th to 15th with a 97.1% collection.	To continue to exceed the state median.	On target.
INVESTED CASH POSITION (PERCENT OF AVAILABLE FUNDS INVESTED). What: Maintain a maximum invested cash position. Why: To enhance portfolio returns on invested cash by minimizing idle funds.	The average invested cash for the County was 99.82% and 99.86% for the Department of Education.	The average percent invested should remain constant in the 99.80%-99.90% range.	On target.

FY 2003-2004 Key Project Accomplishments:

- Implemented an Optima Document Analyzer. This application extracts the names and addresses from tax payment checks, and has improved our ability to issue property tax refunds.
- Obtained the following credit ratings on the Commingled and Educational investment pools: Aaa MR1 (Moody's) and AAA/V1+ (Fitch).
- Procured equipment necessary for the imaging of Human Resources / Personnel records.

Organizational Summary



TREASURER-TAX COLLECTOR - Provides centralized treasury and tax collection services for the County of Orange.

TREASURER - Responsible for the receipt, custody, depository, investment and recording of funds for the County, school districts and special districts. Responsibilities also include issuance of short-term debt on behalf of the County and school districts. In addition, this office acts as trustee in connection with unclaimed property and is responsible for the issuance, billing, collection, redemption and foreclosure of improvement bonds.

Investment Management: Provide portfolio management, broker/dealer relations, investment/economic research, liaison for oversight committees, and custody relation services.

Cash Management: Provide bank-related services and relationship management, cash optimization and forecasting, and financial electronic commerce solutions.

Accounting/Compliance: Provide financial reporting, fund accounting, general ledger reconciliations, bank reconciliations, investment accounting and compliance services, and defined benefit plan administration.

TAX COLLECTOR - Responsible for collecting taxes on all Secured and Unsecured property in Orange County. In addition, this office is responsible for the sale of property subject to the "power to sell," formerly known as delinquent tax deeded property. As well as collecting Annual Racehorse Taxes, Transient Occupancy Taxes, and Public Defender judgments, the Tax Collector also provides remittance processing services, information system services and departmental administrative support.

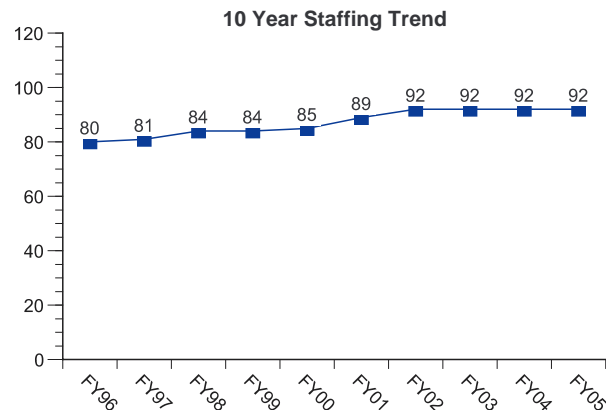
Collections: Provide centralized tax compliance services for delinquent unsecured tax collections, prior year secured property tax collections, Public Defender judgment collections, public information services, property tax problem payment processing and general correspondence.

Remittance & Cashiering: Provide automated remittance processing for all property tax rolls, refund accounting, tax roll accounting and cashiering for the Treasurer.

Administrative Services: Provide tax roll reconciliations, purchasing, contract administration, human resources, payroll services, budget, facility operations, telephone and network services for the Treasurer and Tax Collector Offices.

Information Services: Provide systems development and maintenance support for numerous Treasurer-Tax Collector applications required for the depositing, accounting, and collecting of funds.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- Since 1994-95, our department's staffing level has only changed by a net of one position. Due to the State's and County's budget fiscal constraints, we are planning to propose the elimination of one or two positions during Fiscal Year 2004-2005.
- Despite the modest increase in staffing during this time, as workloads have continued to grow (the number of real property tax bills increased from 717,000 to 783,000), our department has continued to excel in providing efficient and effective investment, cash management and property tax collection services for the County, cities, special districts and school districts, as evidenced by the following: 1) The highest ratings, Aaa MR1 (Moody's) and AAA/V1+ (Fitch), continue to be maintained for the investment pools; and 2) Collection percentage ratings for the Secured and Unsecured tax rolls continue to exceed the state median.

Budget Summary

Plan for Support of the County's Strategic Priorities:

The Treasurer-Tax Collector will continue to pursue all major year 2004 service plan goals in support of County strategic priorities. We will continue to provide an effective, responsive and competitive organizational and operating structure. Staff will work diligently to meet our core business responsibilities of collecting and investing while supporting the successful implementation of new corporate programs.

Changes Included in the Recommended Base Budget:

Significant changes in the base budget include: a) Increase in Salaries and Employee Benefits by \$75,737 to enable us to attract and retain staff who are committed to maintaining the highest standards of public service; b) Decrease in Services and Supplies by \$951,889, primarily due to a reduction in merchant card services fees, and a corresponding reduction in revenues.

Proposed Budget and History:

Sources and Uses	FY 2002-2003 Actual	FY 2003-2004 Budget As of 3/31/04	FY 2003-2004 Projected ⁽¹⁾ At 6/30/04	FY 2004-2005 Recommended	Change from FY 2003-2004 Projected	
					Amount	Percent
Total Positions	-	92	92	92	0	0.00
Total Revenues	9,539,182	10,744,311	9,932,574	9,868,159	(64,415)	-0.65
Total Requirements	12,582,224	14,441,208	12,809,856	13,565,056	755,200	5.90
Net County Cost	3,043,042	3,696,897	2,877,282	3,696,897	819,615	28.49

(1) Requirements include prior year encumbrances and expenditures. Therefore, the above totals may not match FY 2003-2004 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: Treasurer-Tax Collector in the Appendix on page 499.

Highlights of Key Trends:

- We are an administrative function that is task-oriented. We expect our investment results to consistently outperform our benchmarks. We will continue to provide our constituents with efficient and effective investment, cash management and property tax collection services.

Budget Units Under Agency Control

No.	Agency Name	Treasurer-Tax Collector	Treasurer	Tax Collector	Total
074	Treasurer-Tax Collector	397,997	4,528,525	8,638,534	13,565,056
107	Remittance Processing Equipment Replacement	349,959	0	0	349,959
	Total	747,956	4,528,525	8,638,534	13,915,015

107 - REMITTANCE PROCESSING EQUIPMENT REPLACEMENT

Operational Summary

Description:

Establish reserves for the replacement of Remittance Processing Equipment.

At a Glance:

Total FY 2003-2004 Projected Expend + Encumb:	36,054
Total Recommended FY 2004-2005 Budget:	349,959
Percent of County General Fund:	N/A
Total Employees:	0.00

FY 2003-2004 Key Project Accomplishments:

- Implemented an Optima Document Analyzer. This application extracts the names and addresses from tax payment checks, and has improved our ability to issue property tax refunds.

Budget Summary

Proposed Budget and History:

Sources and Uses	FY 2002-2003 Actual	FY 2003-2004 Budget As of 3/31/04	FY 2003-2004 Projected ⁽¹⁾ At 6/30/04	FY 2004-2005 Recommended	Change from FY 2003-2004 Projected	
					Amount	Percent
Total Revenues	686,912	454,260	448,826	349,959	(98,867)	-22.03
Total Requirements	464,280	454,260	321,691	349,959	28,268	8.79
Balance	222,631	0	127,134	0	(127,134)	-100.00

(1) Requirements include prior year encumbrances and expenditures. Therefore, the above totals may not match FY 2003-2004 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: Remittance Processing Equipment Replacement in the Appendix on page 513.

079 - INTERNAL AUDIT

Operational Summary

Mission:

The mission of the Internal Audit Department (IAD) is to provide highly reliable, independent, objective evaluations and business and financial advisory services to the Board of Supervisors and County management to assist them with their important business and financial decisions, and to protect and safeguard the County's resources and assets.

Strategic Goals:

- Assist the Board of Supervisors and County management in ensuring the County's assets and resources are safeguarded; the County's accounting and financial reporting is timely and accurate, the County's management has timely information and critical analysis for its business and economic decisions.
- Provide professional attestation, assurance and confidence to our clientele on the County's internal controls, accounting records and its financial and business operations through our published audit reports and reviews.

Key Outcome Indicators:

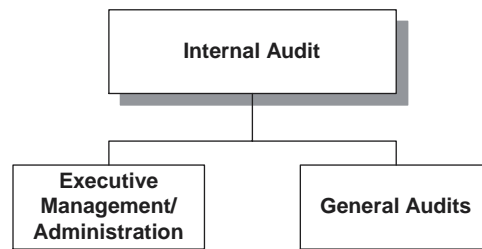
Performance Measure	2003 Business Plan Results	2004 Business Plan Target	How are we doing?
DEFALCATIONS OF COUNTY RESOURCES. What: Misappropriation of County funds and cash losses. Why: Misappropriation of funds bring on bad publicity and weaken public confidence in County operations.	This is a new indicator.	The County will not have misappropriation of funds or cash losses exceeding \$50,000.	The County did not have a misappropriation of funds or cash losses exceeding \$50,000 last year.
USEFULNESS OF OUR REPORTS AND CLIENT SATISFACTION. What: IAD performs audits that are helpful to clients. Why: Lets us know we are adding value and fulfilling a need.	This is a new indicator.	70% of clients report the audits are helpful.	Last year a high percentage of clients reported they received information that was helpful to them in safeguarding the County's assets and making business decisions.

FY 2003-2004 Key Project Accomplishments:

- During 2003, Internal Audit completed all audit goals for our core audit activity in departmental control reviews, attestation services and mandates, information technology, control self-assessment, and compliance. We also performed eight special request in the following departments: Planning Development Services Department, County Executive Office, Health Care Agency, Public Administrator/Public Guardian, and Public Facilities and Resources Department.

- We expanded our risk assessment process to include discussions with executive management of County department/agencies and the CEO. Additionally, we completed the following seven IT goals: compilation of a Countywide key IT systems inventory; distribution of a comprehensive IT self-assessment questionnaire; audit of internal controls for the Auditor-Controller's laser check printing process; systems implementation review of IWMD's new fee collection/accounts receivable system; assist on IT components of the 12/31/02 Treasury Funds Audit; perform computer assisted audit techniques (CAAT's); and submitted a draft update to Auditor-Controller's CAP#34 procedure.

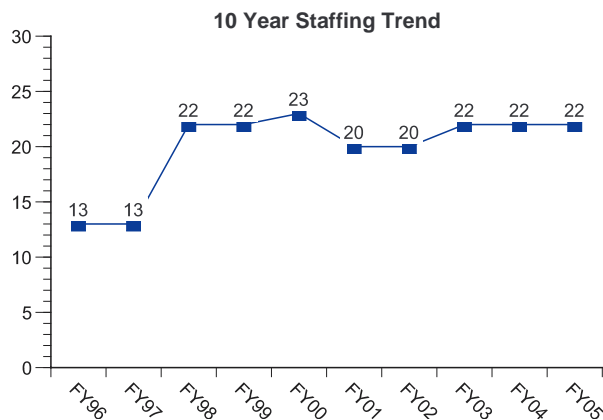
Organizational Summary



EXECUTIVE MANAGEMENT - The Executive Management/Administration team provides fiscal management, procurement and human resources, system security and technical services support, leadership, management oversight and direction to Internal Audit function.

GENERAL AUDITS - This is the core function of the department and consists of sixteen professional audit staff.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- The Internal Audit Department was established as a separate department independent of the County Auditor-Controller by Board Resolution dated April 25, 1995. Arthur Andersen L.L.P. was contracted at that time by the County to manage the Internal Audit function until a permanent director could be recruited. In 1997, a director was appointed and eight additional positions were added; in 1999 one Staff Analyst position was added; in 2000, two positions were eliminated in the Information Systems Auditing function and outsourced to consultants; additionally, two Auditor II positions were exchanged for one Senior Auditor I. In 2001, two auditor positions were added for integrated audits of specifically focused issues in the County's Comprehensive Accounting and Personnel System.

Budget Summary

Plan for Support of the County's Strategic Priorities:

Internal Audit, through its Business Plan, is aligned with the County's strategic priorities and assists in their accomplishment.

Requested Budget Augmentations and Related Performance Results:

Unit/Amount	Description	Performance Plan	Ref. Num.
Restore Level of Service for Audit Consultant Services (FY 04-05) Amount:\$ 73,143	Restores funding for critical audit areas such as information technology and special Board requests.	To meet the commitments of the annual Audit Plan.	079-467

Proposed Budget and History:

Sources and Uses	FY 2002-2003 Actual	FY 2003-2004 Budget As of 3/31/04	FY 2003-2004 Projected ⁽¹⁾ At 6/30/04	FY 2004-2005 Recommended	Change from FY 2003-2004 Projected	
					Amount	Percent
Total Positions	-	22	22	22	0	0.00
Total Revenues	38,278	42,240	42,439	88,800	46,361	109.24
Total Requirements	1,902,058	2,202,653	2,199,973	2,301,713	101,740	4.62
Net County Cost	1,863,780	2,160,413	2,157,534	2,212,913	55,379	2.57

(1) Requirements include prior year encumbrances and expenditures. Therefore, the above totals may not match FY 2003-2004 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: Internal Audit in the Appendix on page 501.

Highlights of Key Trends:

- The Internal Audit Department is adjusting its annual Audit Plan to assist County management in addressing the impact of budget reductions as a result of state defi-

cits. The County will have to modify business processes to do more with fewer resources and the role of Internal Audit in such an environment will be to ensure prudent internal control processes are maintained.

Budget Units Under Agency Control

No.	Agency Name	Executive Management	General Audits	Total
079	Internal Audit	675,997	1,625,716	2,301,713
	Total	675,997	1,625,716	2,301,713

